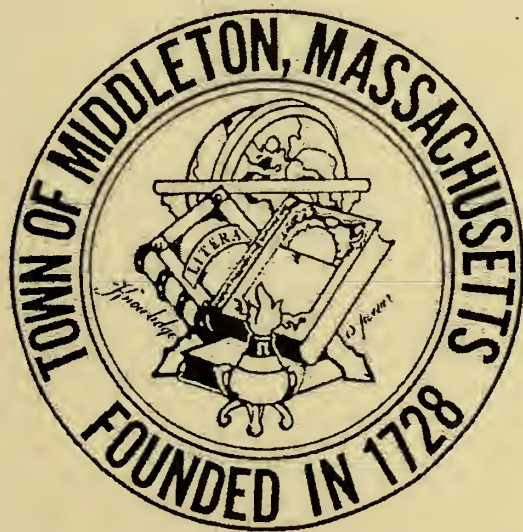


Town of Middleton Massachusetts



Annual Report for Fiscal Year 2013



TOWN OF MIDDLETON
Memorial Hall, 48 South Main Street
Business Hours:
9:00 – 4:00 PM Monday –Thursday
9:00 – 6:00 PM Tuesday
9:00 – 1:00 PM Friday

Please visit our website at www.townofmiddleton.org to view current town notices and volunteer opportunities. Town offices, committees and boards are listed on the website along with telephone numbers and addresses.

You will need to obtain a transfer station sticker for your trash disposal. Stickers can be purchased from the Tax Collectors Office at 48 South Main Street. The cost for residents is \$100.00 payable by cash or check to the Town Of Middleton for the first vehicle registered in Middleton (proof of registration is required) and \$15.00 for any additional sticker for other vehicles in your household. If you want to **Recycle Only** with no trash option, the recycling sticker is free. The transfer station is located off River Street at 11 Natsue Way. You can mail in a copy of your current registration along with a self-addressed return envelope and payment, we will mail your new sticker to you. Please see additional sheet for further information.

EMERGENCY NUMBERS: 911 Ambulance – Fire – Police

Fire Non-Emergency Number 978-774-2466
Policy Non-Emergency Number 978-774-4424

Beverly Hospital 978-922-3000

Poison Control 1-800-682-9211

Cable Providers Comcast and Verizon FiOS

Public Schools in Middleton

Fuller Meadow Elementary School (K-2)
143 South Main Street 978-750-4756
Howe Manning Elementary School (3-6)
26 Central Street 978-739-2800
Masconomet Regional Middle/High School (7-12)
District (MASCO)
20 Endicott Road, Topsfield 978-887-2323

Local Newspapers

Salem Evening News 978-922-1234
Tri-Town Transcript 978-774-0505

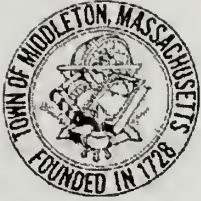
Post Office

41 South Main Street 978-774-4367

MIDDLETON SCHEDULE OF MEETINGS and OFFICE HOURS and TELEPHONE LISTINGS

OFFICE	DAY(S)	TIME	PLACE	TELEPHONE
Accountant	Monday – Thursday Friday (after 1:00 by appt.)	9:00 am - 5:00 pm 8:00 am-1:00 pm	Memorial Hall / 48 South Main St.	978-777-4966
Town Administrator	Monday – Thursday Friday (after 1:00 by appt.)	9:00 am - 5:00 pm 9:00 am - 1:00 pm	Memorial Hall / 48 South Main St.	978-777-3617
Animal Control Officer	Variable			978-807-3097
Annual Town Meeting	2nd Tuesday in May	7:30 pm	Howe-Manning School	
Annual Town Election	Monday after 2nd Tuesday in May	7:00 am - 8:00 pm	Fuller Meadow School	
Board of Appeals Meeting	4th Thursday	7:00 pm	Fuller Meadow School	978-777-8917
Board of Appeals Office	Monday - Friday	8:00 am - 4:00 pm	195 North Main Street	978-777-8917
Board of Assessors Meeting	Tuesday	4:30 pm	Memorial Hall / 48 S. Main Street	978-774-2099
Board of Assessors' Office	Monday, Wed., Thurs. Tuesday Friday	8:00 am - 4:00 pm 8:00 am - 6:00 pm 8:00 am – 1:00pm	Memorial Hall / 48 S. Main Street	978-774-2099
Conservation Comm. Meeting	1st Tuesday	7:00 pm	Fuller Meadow School.	978-777-1869
Conservation Comm. Office	Tuesday & Friday	9:00 am- 3:00 pm	195 North Main Street	978-777-1869
Council on Aging Meeting	Last Wednesday	9:30 am	Old Town Hall / 38 Maple Street.	978-777-4067
COA Senior Center	Monday-Friday	9:00 am - 3:00pm	Old Town Hall / 38 Maple Street.	978-777-4067
Department of Public Works	Monday – Friday	7:00 am - 3:00 pm	195 North Main Street	978-777-0407
Electric Light Dept. Meeting	2nd Thursday	5:00 pm	197 North Main Street	978-774-4313
Electric Light Dept. Office	Monday – Friday	8:00 am - 4:00 pm	197 North Main Street	978-774-4313
EMERGENCY	Always	24 hours	POLICE, FIRE & AMBULANCE	911
Finance Committee Meeting	Variable		Flint Public Library	
FIRE Department	Always	24 hours	Non-Emergency / 4 Lake St.	978-774-2466
Fuller Meadow School	Monday - Friday	7:30 am - 3:30 pm	143 South. Main Street	978-750-4756
Board of Health Meeting	Every other 1st Wednesday	7:00 pm	Flint Public Library	978-777-1869
Board of Health Office	Monday - Friday	8:00 am - 4:00 pm	195 North Main Street	978-777-1869

OFFICE	DAY(S)	TIME	PLACE	TELEPHONE
Housing Authority Meeting	1 st Monday	5:30 pm	Orchard Circle	978-774-4333
Howe-Manning School	Monday – Friday	7:30 am - 4:00 pm	26 Central Street	978-774-3519
Inspections Office	Monday – Friday	7:00 am - 4:00 pm	195 North Main Street	978-777-2850
Library Trustees	2nd Monday	7:00 pm	Flint Public Library	978-774-8132
Flint Public Library/Winter	Monday – Thursday Friday Sunday	10:00 am-8:00 pm 10:00 am-5:00 pm 1:00 pm-5:00 pm	2 North Main Street	978-774-8132
Flint Public Library/Summer	Tues., Wed., Thursday Friday Sunday	10:00 am-8:00 pm 10:00 am-2:00 pm 1:00 pm-5:00pm	2 North Main Street	978-774-8132
Planning Board Meeting	2nd Wednesday	7:00 pm	Fuller Meadow School	978-777-2850
Planning Board Office	Monday – Friday	8:00 am - 4:00 pm	195 North Main Street	978-777-2850
POLICE Department	Always		65 N. Main St./Non-Emergency	978-774-4424
Recreation Commission Mtg	1st Monday	7:00 pm	Old Town Hall / 38 Maple St.	978-804-6922
Masconomet Regional School Committee Meeting	1st & 3rd Wednesdays	7:30 pm	Masconomet Administration Building	978-887-2323
Elementary School Committee Meeting	2nd Thurs & Variable	7:00 pm	Fuller Meadow School	978-887-0771
Board of Selectmen Meeting	Every Tuesday or as posted	7:30 pm	Fuller Meadow School	978-774-3589
Selectmen's Office	Monday – Thursday Fri. (after 1:00 by appt.)	9:00 am - 5:00 pm 9:00 am – 1:00	Memorial Hall / 48 South Main St.	978-774-3589
Town Clerk's Office	Mon., Wed., & Thurs. Tuesday Friday	9:00 am - 4:00 pm 9:00 am - 6:00 pm 9:00 am - 1:00 pm	Memorial Hall / 48 South Main St.	978-774-6927
Transfer Station	Sunday, Wed, Saturday	7:00 am - 4:00 pm	Natsue Way	
Treasurer/ Collector's Office	Monday, Wed., & Thurs. Tues. Friday (after 1:00 by appt.)	8:00 am -5:00 pm 8:00 am-6:00 pm 8:00 am-1:00 pm	Memorial Hall / 48 South Main St.	978-774-8327 978-774-1867
Tri-Town Council Hotline	Always			978-771-4619
Tri-Town Council Office			49 Main St. #6, Topsfield	978-887-6512
Tri-Town School Union	Variable		28 Middleton Rd., Boxford 01921.	978-887-0771



Town of Middleton Transfer Station Rules and Regulations

Hours of Operation: 8:00 a.m. - 4:00 p.m.

Wednesday, Saturday & Sunday

www.townofmiddleton.org

- The Transfer Station Sticker is **ONLY** valid for the vehicle it was issued.
- Stickers must be permanently attached to the vehicle rear window in such a way as to be easily visible to the attendant. Stickers **MAY NOT** be taped to the window or laminated and kept in the vehicle. If you need to transfer the **sticker** to a different vehicle, you must remove the sticker from the old vehicle and bring it and your new registration to the Treasurer's Office for a replacement sticker.
- The attendant may stop a vehicle any time to confirm that the registration on the sticker matches the registration on the vehicle.
- Only residential refuse generated with the Town of Middleton will be accepted at the Transfer Station. The attendant has the right to randomly inspect loads in a reasonable and responsible manner and turn away any material that seems to be obviously commercial or contain hazardous or other unacceptable material. The attendant may also turn away loads that seem too large to come from a single residence.
- Any individual who accidentally or intentionally creates litter will have the responsibility of cleaning it up.
- **ALL TRASH MUST BE BAGGED.**

UNACCEPTABLE WASTE: The following material **WILL NOT** be accepted at the Transfer Station.

- Infectious or medical wastes, ammunition or other explosives, sewage waste or sludge, sealed containers including gas cylinders, animal carcasses, radioactive material, liquid or slurry waste of any kind regardless of packaging or labeling, tree stumps, boulders, rocks, stones, dirt or other non combustible material, any barrels or other containers that hold or once held hazardous material unless inspected by the Transfer Station Operator to insure that they are empty. Construction and Demolition waste (C&D). Any recyclable material as defined below.
- Hazardous material including but not limited to gasoline, pesticides & herbicides, chemicals, oil based paint and mercury containing products such as thermometers and florescent bulbs, car batteries.
(Many of these materials can be disposed of at Hazardous Waste Days or other periodic events.)

MANDATORY RECYCLING: The following materials will not be accepted at the trash compactor but have designated containers or areas within the Transfer Station.

- Paper including newspapers, magazines, phone books, junk mail, paperboard boxes and cardboard.
- Container glass separated into clear green and brown items.
(Note: window glass, drinking glasses, dishes and light bulbs must go in the compactor.)
- Tin and aluminum cans.
- All seven grades of container plastics.
- CRT's (Cathodes Ray Tubes), computers, monitors and video games.
- Rechargeable batteries.
- Passenger car and light truck tires. (Limit two per month).
- Used motor oil.
- Leaves
- Brush will be accepted on scheduled collection dates.
- Scrap metal and white goods (appliances)-Freon bearing appliances are prohibited,
(Freon bearing appliances must be evacuated by a certified vendor before disposal in metal bins).

If any section of these regulations shall be deemed illegal, invalid or unenforceable for any reason, such action shall not affect any other section of the regulations.

VIOLATORS OF THESE REGULATIONS MAY HAVE THEIR TRAFER STATION STICKER REVOKED OR HAVE OTHER ENFORCEMENT ACTION TAKEN AGAINST THEM.

TREASURER/TAX COLLECTOR

PAYMENTS

You can pay your taxes to the Town of Middleton in several ways. Your options are mail your payment to the lock box at P O Box 764, Reading MA 01867, the Secure Drop Box located on the handicapped ramp side of Memorial Hall building at 48 South Main Street, or can make payment on line from our website at www.townofmiddleton.org via Unipay Gold payment center.

Once in the Unipay Gold Payment application you have two (2) options for paying your bill; either by electronic check or by credit card.

Electronic Check:

It is free to pay by electronic check. You will need one of your checks with you when you pay your bill online in order to get your account number and the bank's routing number from it. You will be shown where this information is on your check.

Credit Card:

We accept MasterCard, Visa and Discover for credit card payments. There will be a convenience fee for each online payment. The credit card service provider charges the fee to your credit card. When paying by credit card, the fee amount will appear in a separate box and will be totaled with the amount of the tax.

MIDDLETON 2014 SENATORS AND REPRESENTATIVES

STATE

FEDERAL

SENATOR IN GENERAL COURT

FIRST ESSEX and

MIDDLESEX DISTRICT

Senator Bruce E. Tarr (R)

State House, Room 313-A

Boston, MA. 02133-1054

Tel: (617) 722-1600

Email: Bruce.Tarr@state.ma.us

REPRESENTATIVE IN GENERAL COURT

TWENTIETH MIDDLESEX DISTRICT

Precinct 1

20st Middlesex District

Representative Bradley H. Jones, Jr. (R)

State House, Room 124

Boston, MA. 02133-1054

Tel: (617) 722-2100

Email: Rep.BradleyJones@hou.state.ma.us

Precinct 2

Thirteenth Essex District

Representative Theodore C. Speliotis (D)

State House, Room 280

Boston, MA 02133-1054

Tel: 617-722-2410

Email: Theodore.Speliotis@mahouse.gov

GOVERNOR

The Honorable Deval Patrick

Massachusetts State House

Office of the Governor

Room 105

Boston, MA. 02133-1054

Tel: (617) 727-9725

(888) 870-7770 (in state)

Email: GOffice@state.ma.us

REPRESENTATIVE IN CONGRESS

SIXTH DISTRICT

Congressman John F. Tierney

17 Peabody Square

Peabody, MA. 01960

Tel: (978) 531-1669

Fax: (978) 531-1996

or

2238 Rayburn HOB

Washington, D.C. 20515

Tel: (202) 225-8020

Fax: (202) 225-5915

Email: www.tierney.house.gov

UNITED STATES SENATOR

The Honorable Elizabeth Warren

15 New Sudbury Street

Boston, MA. 02203

Tel: (617) 565-3170

or

317 Hart Senate Office Building

Washington, D.C. 20510

Tel: (202) 224-4543

Fax: (202) 224-2417

E-mail: www.warren.senate.gov

UNITED STATES SENATOR

The Honorable Edward Markey

975 JFK Federal Building

15 New Sudbury Street

Boston, MA 02203

or

218 Russell Senate Office Building

Washington, D.C. 20510

Tel: (202) 224-2742

Fax: (202) 224-8525

E-mail: www.markey.senate.gov

(As of 01/15/2014)

MIDDLETON'S ELECTED OFFICIALS 2013

Moderator		Planning Board	
Lynn M. Murphy	2014	Beverly A. Popielski	2014
		David T. Leary, Sr.	2015
Deputy Moderator		Christine M. Lindberg	2016
Henry A. Tragert	2014	John M. Knott, Jr.	2017
		Robert M. Aldenberg	2018
Town Clerk		Electric Light Commission	
Sarah B. George	2014	Frank W. Twiss	2014
		Kevin J. Kiley	2014
Selectmen		James W. Kelley	2015
Brian M. Cresta	2014	Timothy P. Houten	2015
Nancy M. Jones	2015	Charles S. Clinch, III	2016
Kosta E. Prentakis	2015		
Timothy P. Houten	2016	Library Trustees	
Christine M. Lindberg	2016	Eileen M. Paul	2014
Constable		Mary P. Tragert-Toropov	2014
Paul F. Armitage	2016	Gretchen Hover Moreschi	2015
		Brenda J. Kirwan	2015
		Melissa L. Stankus	2016
Board of Assessors		Housing Authority	
Kosta E. Prentakis	2014	Ilene Twiss (State Apptd.)	2010
Deborah J. Carbone	2015	Charles M. Collier	2014
Patricia A. Ohlson	2016	Todd Moreschi	2015
School Committee		Julie Bakoian	2016
Tasha Cooper	2014	Lisa Cabral	2017
Daniel L. Michaud	2015		
Lisa Saxonis	2015		
Mark Moreschi	2016		
Amy R. Karas	2016		
Regional School Committee			
Teresa P. Buono	2014		
Kosta E. Prentakis	2014		
Linda M. Richards	2015		
Matthew P. Cocciardi	2016		

MIDDLETON'S APPOINTED OFFICIALS FY2014

Town Administrator Ira S. Singer	2015	Local Building Inspector Anthony Torra	2014
Assistant Town Administrator Ryan Ferrara	2014	Local Cable Television Access Director Paul A. Pellicelli	2014
Town Accountant Andrew Vanni	2016	Public Health Director Public Health Sanitarian Conservation Commission Administrator Hazardous Waste Coordinator Derek Fullerton	2014
Custodian of Town Lands Robert F. Murphy	2014	Assistant Health Agents Colleen Pelley Ron Beauregard	
Treasurer/Collector Donald J. Carter	2016	Planning Coordinator Katrina O'Leary	2014
Assistant Treasurer Belinda Young	2014	Plumbing and Gas Inspector Ray F. Abbott	2014
Town Counsel Segal, Edelstein, Bussone & Fallon	2014	Alternate Plumbing & Gas Inspectors Robert Sheldon Peter Sakelakos	2014 2014
Assistant Assessor Bradford W. Swanson	2014	Inspector of Wires James Carbone	2014
Administrative Assessor Toula Guarino	2014	Alternate Inspector of Wires James Evans	2014
Assistant Town Clerk Ilene B. Twiss	2014	Town Librarian Melissa Gaspar	
Chief of the Fire Department Director of Emergency Management Frank W. Twiss	2014	Superintendent of Public Works Superintendent of Insect Pest Control Robert N. LaBossiere	2014
Chief of Police James A. DiGianvittorio		Animal Control Officer & Inspector of Animals Reed Wilson	2014
Superintendent of Schools Bernard F. Creeden, Ed.D.		Director of Veterans' Services Theodore H. Butler	2014
Building Commissioner Zoning Enforcement Officer Fence Viewer & A.D.A. Officer Richard Bienvenue	2014		

Superintendent of Burials
Patricia Zingarelli 2014

Election Officers
Vacancy, Warden 2015
Eileen Bakoian, Clerk 2015

**Executive Director of the
Middleton Housing Authority**

Director of the Council on Aging
Susan Gannon

**Middleton Electric Light
Department Manager**
Mark Kelly

**North Shore Regional Vocational
School District Representative**
Ellen Weitzler 2016

**Representative to the Metropolitan
Area Planning Council**
Christine Lindberg 2015

**Liaison to the Southern Essex Sewerage
District**
John M. Knott

**Representative to the Ipswich River
Watershed District Advisory Board**
Paul Crofts 2015

**Representative to the Harold Parker
State Forest Advisory Board**
Vacancy

**Municipal Hearing Officer, Parking Clerk, &
Municipal Liaison to the Ethics Commission**
Sarah B. George 2014

**Danvers/Middleton Water Study
Task Force**
Nancy Jones

Finance Committee
John Erickson 2014
Jill Mann 2014
Antonietta Mertz 2015
John Mahoney 2015
George E. Dow, Sr. 2015
Steven A. Cocciardi 2016
Michelle Cresta 2016

Conservation Commission
Ian Mckenzie 2014
Antonio Pesce 2014
Roger Talbot 2015
Thomas Skinner 2015
Michael G. Sliney 2016

**Assistant Conservation Commission
Administrator**
Judith Schmitz 2015

Board of Health
George Demeritt 2014
Robert W. Ambrefe 2014
John Goodwin 2015
Paul LeBlanc 2015
Matthew Greenfield 2016

Board of Appeals
Richard Nazzaro (alternate) 2014
Anne LeBlanc-Snyder (alternate) 2014
Nicholas A. Yebba 2014
Barbara A. Piselli 2015
Craig Hartwell 2016
James E. Fox 2016
Ann Tragert Cote 2017

Solid Waste/Town Recycling Committee
Ira Singer 2016
Robert LaBossiere 2016
Robert Porteous 2016
Derek Fullerton 2016
Nancy M. Jones 2016

**Representative to the Boxford
State Forest Advisory Board**
Paul Crofts 2015

Registrars of Voters

Sarah B. George(ex officio)	2014
Mary Jane Morrin	2014
Vacancy	2014
James V. Hannon Jr.	2015

Memorial Day Committee

Shirley Raynard	2014
Theodore Butler	2015
Kenneth LeColst	2015
Scott Saulnier	2015
Ronald Draper	2016

Cultural Council

Marisa Greenfield	2014
Kathryn J. Whiton	2015
Laura Reardon	2015
Irene Kastrinakis	2015
Christine Newhall	2016
Claudia Giustra	2016

Council on Aging

Barbara Sanborn, Alternate	2014
David T. Leary, Sr.	2014
William Walczak	2014
Martha Ogden Fucarile	2014
Lois Lemay	2015
Kathryn Martinuk	2015
Francis J. Leary, Jr.	2015
Barbara Tilton	2016
Ann Donahue	2016
David Cowie	2016
Joan Shea-Desmond	2016

Recreation Commission

Michelle Nowak	2014
Kevin Noyes	2014
Sonja Nathan Bradstreet	2014
Steven McHugh	2015
Lisa Bream	2016
Stephen Semenza	2016

Historical Commission

Anne LeBlanc-Snyder	2014
Sarah B. George	2014
Lawrence Davis	2015
Robert E. Kelley	2016
Mary Tragert	2016

Master Plan Committee

John Erickson	2014
Carl Toumayan	2014
Kosta Prentakis	2014
Christine Lindberg	2014
Barbara Jesi	2015
Paul Richardson	2015
Mindy Wogan	2016
Robert Murphy	2016
Timothy Houten	2016

Community Preservation Committee

Kosta Prentakis	2014
Charles Collier	2014
Mary Tragert	2014
Christine Lindberg	2015
Robert Murphy	2015
Maryanne Erickson	2015
Thomas Skinner	2015
Timothy Houten	2016
Steven Cocciardi	2016

Water Advisory Committee

Frank W. Twiss, Fire Chief
Ira S. Singer, Town Administrator
Nancy M. Jones, Selectmen's Rep.
Planning Board Representative
Robert LaBossiere, Supt. Of DPW
Derek Fullerton, Public Health Director

Bylaw Review Committee

Mary Tragert	2016
Robert Ambrefe	2016
Carl Toumayan	2016
Timothy Houten	2016
Jeff Garber	2016
Beverly Popielski	2016
Richard Bienvenue (ex officio)	2016
Sarah B. George (ex officio)	2016

**Industrial and Commercial
Design Review Committee**

Michael Watkin	2014
Colin A. Kelly (alternate)	2014
Paul Richardson	2015
Vacancy	2016

Scholarship Committee

Claudia Johnson	2014
John McAuley	2014
Anthony Tierno	2015
Shirley Raynard	2016
Rodney Pendleton	2016

Municipal Tax Relief Committee

Robert. F. Murphy	2014
Susan J. Gannon	2015
Patricia Ohlson	2015
Deborah Carbone	2016
Donald Carter (ex officio)	2016

Rails to Trails Committee

Derek Fullerton	2014
Rodney Pendleton	2014
Frank Twiss	2014
Steve Weitzler	2014
Todd Moreschi	2014
Thomas Martinuk	2014
Stephen Friend	2014
Scott Downs	2014
Hector Quarti	2014
Leo Jones	2014
Scott Cameron	2014

Board of Selectmen/Town Administrator's Office

Department Description

The Town Administrator is appointed by the five members of the Board of Selectmen and is the principal full-time administrative officer of the Town and the Town's Chief Procurement Officer. The Town Administrator oversees the day to day operations of the Town, represents the Selectmen and Town at all federal, state, regional, and municipal meetings which affect the status and future of the Town. The Town Administrator assembles, and presents to the Selectmen and Finance Committee, the Annual Budget including a Capital Improvements Program, and administers the adopted budget. The Town Administrator keeps the Board of Selectmen fully informed regarding all departmental operations, fiscal affairs, problems, administrative actions and provides the Board with suggested alternative courses of action.

The Town Administrator also implements all policy directives of the Board of Selectmen, negotiates all labor contracts, manages personnel and human resources, and promotes cooperation and team work among all Town Departments, all under the guidance of the five member Board of Selectmen.

Accomplishments

- Improved daily management of departmental operations through the Town's first Assistant Town Administrator assumption of responsibilities in budgeting, human resource management, citizen customer service, uniform departmental purchasing. Implemented new administrative, financial, and program reporting, enhanced web site presence, explored new state/federal grant opportunities, and provided additional administrative assistance to all departments.
- Completed labor negotiations and contracts with all unions including the elementary and regional school teacher contracts for Fiscal Year 2014 striking a balance between paying fair and market employee wages while not burdening taxpayers with excess settlement costs.
- Completed the reorganization of the Treasurer/Collector Office to match the growing work demands to available resources while strengthening the Town's fiscal management capacity.
- Continued to improve the financial conditions and administrative operations of Middleton's retirement system [called the Essex Regional Retirement System] through active membership of the Town Administrator on the Board of Directors.

- Closed out the Massachusetts School Building Authority's Project (Howe-Manning School) Grant Agreement with the Middleton School Building Committee to insure the Town receives the maximum state grant reimbursement under the law.
- Developed, proposed, and administered the Fiscal Year 2014 Operations and Management Budget and Capital Budget within the limits of Proposition 2-1/2 while building adequate financial reserves for future needs.
- Recruited and hired the Town's first Planning Coordinator to work with the Planning Board, Board of Appeals, Master Plan Committee, and Board of Selectmen to strengthen the Town's capacity to respond to growth, improve its internal regulatory process, and plan for the future needs of the community.
- Assisted with the start up of the new Regional Emergency Communication Center in Middleton through Chairmanship of its Financial Advisory Board of Directors
- Successfully lobbied for state funding for the complete repaving of all of Route 114 (South and North Main Streets for the first time in more than 25 years) through the Massachusetts Department of Highways.
- Appointed a "Rails to Trails" Committee to begin planning the construction of a 5.2 mile bike and pedestrian pathway which will extend from Sharpner Pond Road at the North Andover town line to Gregory Street in South Middleton near the Danvers town line.

FY15 Goals and Objectives

- Oversee the successful start up of and transition to the Essex County Regional Emergency Communications Center scheduled to begin in early 2014
- Develop a uniform and comprehensive employee handbook
- Increase the distribution of public information through digital and web based formats including enhancing the Town's web site and improving public, education, and governmental (PEG Access) cable broadcasting
- Oversee renovations in Memorial Hall to reconfiguring the Town Administrator's Office space and upgrading walls ceilings, floors, bathrooms, and insulation throughout the second floor
- Apply for state grant funds for pedestrian trail development
- Maintain good labor relations while completing timely contract negotiations

- Secure a new Inter-municipal Water Agreement with the Town of Danvers to increase financial reimbursement.
- Improve the Town’s economic development image and business opportunities
- Implement a department wide plan for upgrading the phone system with a focus on improved functionality and reducing overall costs
- Work with MELD officials to stabilize public lighting costs with new efficient fixtures and formally explore opportunities for development of solar energy farms on two former town owned landfills
- Fund and begin construction of the first phase of the 5.2 mile “Rails to Trails” bicycle and pedestrian pathway
- Reactivate the planning process for the construction of new sidewalks along roadways where right of way widths are wide enough to accommodate such construction and traffic counts and pedestrian safety needs are highest using funds contributed by subdivision developers and other town resources.
- Continue the installation of new uniform and attractive signage at all town parks and fields.
- Complete design plans for enhanced and new recreational areas including the acquisition of land to enlarge the Town Common

How does Middleton’s Tax Rate Compare with Ten Area North Shore Communities?

While no one wants to pay more taxes than they do and would certainly prefer to pay less, a comparison of community tax rates in the area provides an important measure of the property tax burden within a particular community.

At \$13.90 per thousand of assessed valuation, Middleton’s residential tax rate compares very favorably with ten other North Shore communities being on average **8% lower** than neighboring communities. The business and commercial tax rate in Middleton is on average **45% lower** than neighboring communities.

If you owned a home with a \$500,000 valuation, you would pay **\$479 more** if you lived in Danvers, **\$785 more** in Boxford, **\$1,130 more** in Topsfield, and **\$1,750 more** in Hamilton.

A business with a valuation of \$2,000,000 would pay **\$10,520 more** in Topsfield, **\$20,000 more** in Danvers, **\$27,120 more** in Peabody and **\$42,300 more** in Salem.

Ten Community (North Shore) Fiscal Year 2014 Property Tax Rates

Town or City	Residential Rate	Commercial Rate	Two Rate Average	%Higher or Lower	*
Middleton	\$13.90	\$13.90	\$13.90		
Topsfield	\$16.16	\$16.16	\$16.16	16.39%	Higher
Danvers	\$14.85	\$20.90	\$17.88	28.69%	Higher
Peabody	\$12.40	\$24.46	\$18.45	32.60%	Higher
Salem	\$16.73	\$32.05	\$24.39	75.50%	Higher
Beverly	\$14.16	\$25.78	\$19.97	43.70%	Higher
Lynnfield	\$14.77	\$16.59	\$15.68	12.80%	Higher
N. Andover	\$14.41	\$19.45	\$16.93	21.80%	Higher
Hamilton	\$17.40	\$17.40	\$17.40	25.20%	Higher
Boxford	\$15.47	\$15.47	\$15.47	11.30%	Higher
Ten Town Averages	\$15.03	\$20.22	\$17.12	26.89%	Higher*

* Higher than Middleton’s combined rate of \$13.90.

Jobs, Economic Development, Tax Base, and Public Improvements

In 2012, 331 firms located in Middleton reported to the Massachusetts Division of Employment Security a total of 4,662 jobs paying an average weekly wage of \$948 with total annual wages of \$229,804,000. Middleton is largely a residential community which accounts for 82% of the tax base. But Middleton does still have some manufacturing employing 275 persons. The labor force is shifting as the bulk of local jobs are in retail, transportation, construction, professional business services, education, health care, and leisure and hospitality.

Unemployment in Middleton has fallen slowly from its peak in 2010 of 8.4% to 6.8%. Out of a total labor force of 4,267 as of February 2014, 290 individuals were unemployed.

Job growth along the North and South Main Street development corridor has picked up once again reflecting many new businesses opening in previous vacant retail and commercial space.

A steady pace of new building permits reflect the moderate rebound in the residential housing market, and five new commercial buildings currently under construction along with the reconstruction and expansion of another four commercial and industrial buildings.

The Town’s tax base for Fiscal Year 2014 was certified at \$1,620,675,578 with 82.6% residential property and the remaining 17.4% commercial, industrial and personal property.

Many important public construction projects have been completed or are underway.

The Police Department completed its renovation and addition to its headquarters on North Main Street efficiently renovating and attaching the two former modular school classrooms onto the existing building to provide expanded and secure space for public reception, conferences, administration and local dispatch.

The Regional Emergency Communication Center on Manning Road at the entrance to the County Jail was funded and constructed by the State in the spring of 2013 and now houses regional fire and police dispatch operations for six area communities.

The North Shore Essex Agricultural Technical School, which straddles the Middleton and Danvers town boundary, is also under construction and scheduled to open in the fall of 2014 at a cost of \$120,000,000 funded through a 90% MSBA Grant to the underlying District which serves all 34 Essex County communities.

The State's DCAM is beginning construction of a \$38,000,000 Regional Office and Detention Center on Gregory Street in behalf of the State Department of Youth Services.

The North Shore Technical High School campus is under a purchase and sales agreement with a local developer who plans to build and lease commercial, office and other business spaces at the 14 acre South Main Street site after the school moves to its new consolidated campus on the Middleton Danvers town line.

This report highlights some of the many changes Middleton is experiencing as its land area is more fully developed and the community approaches build out. The Board is keenly aware of its duty to preserve the friendly character and semi-rural qualities of the community while maintaining and improving services to residents.

The Board of Selectmen extends its thanks and appreciation to all of the citizens of the Town who unselfishly contribute their time and efforts to the well being of our outstanding community.

Respectfully Submitted,

Middleton Board of Selectmen

Kosta E. Prentakis - Chairman

Nancy M. Jones

Timothy P. Houten

Christine M. Lindberg

Brian M. Cresta

Town Administrator's Office

Ira S. Singer, Town Administrator

Ryan J. Ferrara, Assistant Town Administrator

Town Accountant

Town Accountant/CFO: Andrew Vanni

Department Description

The Finance Department is responsible for all financial matters for the town. The Chief Financial Officer (CFO) is responsible for the Accounting/Information Technology Department and supervises the Treasurer/Collector's Department. Other duties include overseeing insurance matters, preparing financial data and Financial Statements, Annual Report, Free Cash certification, Schedule A, Official Statements and supporting the preparation of the Town Budget.

The Department manages the expenditures and revenues of all town and school funds, examines all department bills and payrolls for accuracy, legality and availability of funds before payment by the Treasurer. Oversees and prepares weekly town and school payables warrants.

Accomplishments

- Restructured the Treasurer/Collector Office, consolidating two part-time positions into one full-time Assistant Treasurer Collector. Will continue with the cross training program in FY15 to support both finance offices.
- Once again I assumed the role of the Treasurer (within the limits of the law) when the Treasurer was out on medical leave this year. This was the fourth time I have done this for the Town. My involvement kept the Treasurer's office running for a 2 to 3 month period, while also taking care of the accounting functions at the same time. I was still able to close the year timely, certified Free Cash and completed all of the other accounting functions on a timely basis.
- Sharon Bainbridge created the new Budget Spreadsheets that are being used for the FY15 Budget coming out of the Selectman's office.

FY15 Goals and Objectives

- Proceed with the cross-training program to make the office run more efficiently in the event of a vacancy and absences
- Work with the Town Administrator to take the necessary steps to convert to a bi-weekly payroll and vendor warrant from a weekly warrant. This will reduce the number of warrants from 52 to 26 while increasing efficiency and reduce costs.

TOWN OF MIDDLETON
BALANCE SHEET
June 30, 2013

	GENERAL	SPECIAL REVENUE #22-28	CAPITAL PROJECTS #30-34	ENTERPRISE #62	STAB. - AGENCY TRUST FUNDS #82-89	LONG TERM DEBT #97	TOTALS
ASSETS:							
CASH	22,372,210						22,372,210
PETTY CASH	375						375
POOLED CASH	(16,417,195)	3,395,862	1,596,050	7,921,410	3,503,873		0
TEMPORARY CASH							0
INVESTMENTS - STOCK							0
REAL ESTATE/PERSONAL PROPERTY	349,838						349,838
LESS: ALLOW FOR ABATEMENTS	(477,538)						(477,538)
NET REAL ESTATE/PERSONAL PROPERTY	1,105,491						(127,700)
TAX TITLE	77,253						1,105,491
MOTOR VEHICLE EXCISE	8,790						77,253
WATER/ELECTRIC LIENS				1,721,041			8,790
OTHER RECEIVABLES		525,421		6,720,230			2,246,462
FIXED ASSETS							6,720,230
INVESTMENTS							0
AMOUNT TO BE PROVIDED						18,918,400	18,918,400
DUE TO/FROM OTHER GOVERNMENTS							0
TOTAL ASSETS	\$7,019,224	\$3,921,283	\$1,596,050	\$16,362,681	\$3,503,873	\$18,918,400	\$51,321,511
LIABILITIES:							
BONDS PAYABLE/BAN						18,918,400	18,918,400
DEPOSITS			688,000				19,606,400
ACCOUNTS & WARRANTS PAYABLE							0
DEFERRED REVENUE:		26,016		225			26,241
REAL ESTATE/PERSONAL PROPERTY	(127,700)						0
ELECTRIC/WATER LIENS	8,790						(127,700)
MOTOR VEHICLES	77,253						8,790
TAX TITLE	1,105,491						77,253
DEFERRED REVENUES OTHER		525,421		1,721,041			1,105,491
BONDS & GUARANTEES						271,275	2,246,462
DUE FROM OTHER GOVT							271,275
BAN PREMIUM PAYABLE							0
TOTAL LIABILITIES	\$1,063,834	\$551,437	\$688,000	\$1,721,266	\$271,275	\$18,918,400	\$23,214,212
FUND EQUITY:							
RESERVED FUND BALANCES	2,118,238		495,987	10,135,020			12,749,245
UNRESERVED FUND BAL - SURPLUS	3,836,777	3,369,846	412,063	4,506,395	3,232,598		15,357,679
PETTY CASH	375						375
RETAINED EARNINGS							0
ENCUMBRANCES							0
TOTAL EQUITY	\$5,955,390	\$3,369,846	\$908,050	\$14,641,415	\$3,232,598	\$0	\$28,107,299
TOTAL LIABILITIES & EQUITY	\$7,019,224	\$3,921,283	\$1,596,050	\$16,362,681	\$3,503,873	\$18,918,400	\$51,321,511

- Workers Compensation training for the Town so that the town employees will be able to follow a unified policy. Training will consist of filing procedures from start to finish including the new return to work requirements.

Board of Assessors

Assistant Assessor: Bradford W. Swanson M.A.A.

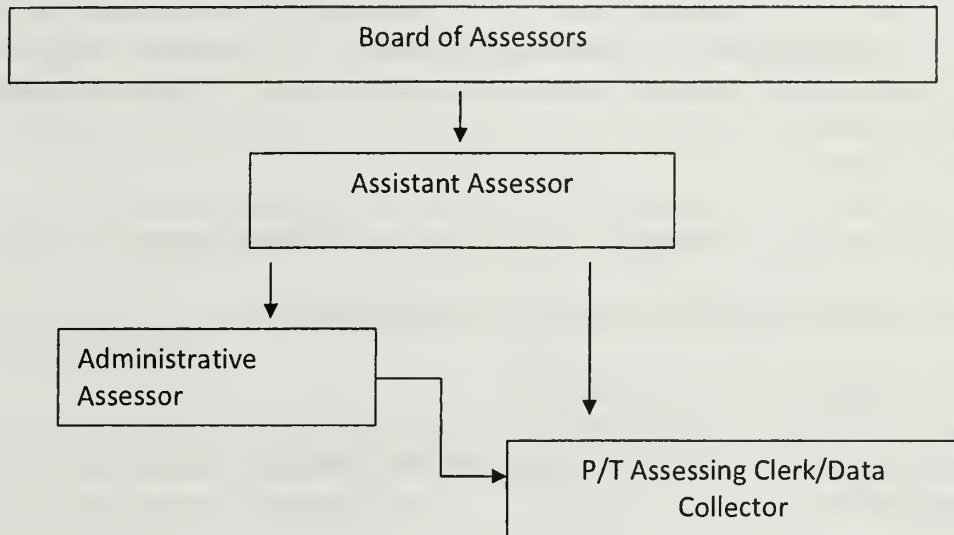
Department Description

The mission of the Board of Assessors and its' staff is to value Real and Personal Property in accordance with the laws of the Commonwealth of Massachusetts, administer exemption, abatement, and excise programs and assist taxpayers, as well as other town departments, in a courteous, innovative and fiscally responsible manner.

Some of the major responsibilities include:

- Apply Assessment Administration practices to the appraisal of real and personal property and to maintain the level of assessment at its full and fair cash value as required by the laws of the Commonwealth of Massachusetts.
- Develop and maintain accurate records of all real estate parcels and personal property accounts within the Town, including property record folders, electronic databases, tax maps, deed references, etc.
- Systematically review and inspect all Middleton property and update electronic data files.
- Administer motor vehicle excise tax programs that include commitment of excise tax bills and the abatement/ appeal process related to individual taxpayer's excise bills.
- The assessors provide information to the Board of Selectmen and work cooperatively with other departments annually so that a tax rate can be established and submitted.
- The assessors commit to the Treasurer/Collector the annual real and personal property taxes to be collected, including betterments and liens.
- This department also defends property values and addresses issues of taxability before the Massachusetts Appellate Tax Board.

Department Organization



Accomplishments

In the last year this department has successfully transitioned through some major staffing changes while completing:

- Completion of Certified Revaluation with D.O.R. within reasonable timeframe
- Submitting and receiving a tax rate by December 11th, 2013
- Finalizing the tax billing file by December 13th, 2013
- Processing most all FY 2014 exemptions January 14th, 2014
- Digitization of town maps to facilitate GIS mapping for the town

FY15 Goals and Accomplishments

Our main focus for this year is:

- Use portable electronic technology to enhance field work (i.e. iPad/laptop)
- Complete transition to town wide G.I.S. by end of March 2014

- Meeting existing requirements and newer requirements imposed by the Department of Revenue.

As always, one of our continued goals is to encourage staff development by providing coursework and professional certification opportunities so that we comply with professional standards, Department of Revenue requirements and expectations of Middleton residents.

Some examples are:

- Maintaining M.A.A. designations for the Board and Assistant Assessor
- Administrative Assessor to obtain M.A.A. designation.
- Start education for P/T Clerk position
- Start coursework for Assistant Assessor and Administrative Assessor to obtain I.A.A.O. certifications

Treasurer/Collector

Treasurer/Collector: Donald J. Carter

Department Description

The Treasurer/Collector's Office is responsible for the investment of all town funds and the collection of real estate taxes, personal property taxes, motor vehicle taxes, and all departmental receipts. The Office is responsible for all municipal borrowings, balancing cash and accounts receivables with the Town Accountant, selling Transfer Station stickers, the billing and collection of South Essex Sewerage District charges, issuing municipal lien certificates, and managing tax title properties. Other duties include processing payroll and administering benefits for all active and retired town employees.

Accomplishments

- During FY14 the Office reorganization was completed converting two part time positions to a full time Assistant Treasurer Collector
- The Office has acquired, through foreclosure, a third real estate parcel with a single home

FY15 Goals and Objectives

- To establish and maintain the highest possible level of service to tax payers, employees, and retirees by providing same day problem resolution whenever possible and employing a zero defect goal in processing, payroll, collections, payments and billing
- To maintain an effective, fair, and aggressive collection process to maximize real estate, personal property and motor vehicle excise tax collections
- Continue to reduce the number of properties in tax title through collections to increase certified free cash
- Cross train employees to provide redundancy ensuring more than one employee can undertake critical functions when necessary (i.e. payroll, W-2s, municipal lien certificates, accounts payables, etc.)
- To develop an efficient and effective billing and accounts receivable application for the SESD program that will easily and systematically track receivables, add penalties, and send bills and dunning notices
- To convert the Town's payroll to bi-weekly from weekly during FY15

Town Clerk/Elections

Town Clerk: Sarah George

Department Description

The Middleton Town Clerk's Office is committed to being a provider of reliable information and courteous, competent, and efficient service. We are dedicated to the careful preservation of the Town's official records including Town Meeting minutes, birth, death and marriage records, and historical documents, and to running elections that go smoothly and inspire confidence.

This office serves as a central information point for local government. We respond to inquiries from the public as well as from other departments, boards and committees. We act as a source of information on federal, state and local regulations and town bylaws, rules and regulations.

The Town Clerk is the chief election official who oversees the polls and the conduct of all elections and election-related activity for federal, state, and local elections. This includes registering voters, and maintaining accurate voting lists, distributing and receiving nomination papers, preparing and ordering ballots, distributing applications for, mailing, and recording the return of absentee ballots, and transmitting all election results to the Secretary of the Commonwealth's Office.

The office also conducts the annual census and maintains the street and voter lists. This includes supervising the creation and mailing of the census forms, entering the data received from the returns, and conducting follow-up procedures for all forms not returned.

As the Town's Custodian of Records, the Clerk keeps records relating to the governance of the Town from the 17th century to the present. This includes records of all births, marriages and deaths, all actions of Town Meeting, results of elections, zoning decisions, Planning Board decisions and Annual Reports. In this capacity, the Clerk occasionally goes to court on behalf of the Town. The Clerk's Office maintains the municipal code, the official Town bulletin boards, records of oaths of office, appointments and resignations of all Town Officials.

The office also issues some state licenses and permits, including marriage licenses, business certificates & renewals, dog licenses, fuel storage licenses, raffle/bazaar permits and requests for public documents.

Accomplishments

FY14 saw a full year of training for the new Assistant Town Clerk. This includes many different types of work and has kept us both very busy. We have acquired a new computer for dog licensing and rabies-vaccination tracking. We have begun the process of researching the best system of digitizing and indexing the records in the Town Clerk's Office to make records retrieval more efficient and to further preserve them.

FY15 Goals and Objectives

FY 15 will bring three elections: the State Primary September 9, 2014; the State Election November 4, 2014; and the Annual Town Election May 18, 2015; as well as the Annual Town Meeting on May 12, 2015. As always, it is our goal to see that all elections run smoothly and according to the letter of the law.

We intend to acquire a new program for licensing dogs to make our operations more efficient. It is also our goal to finally begin the process of digitizing town records and to initiate a plan to build a vault to state standards off the basement of Memorial Hall.

Planning

Planning Coordinator : Katrina O'Leary

Department Description

The Planning Division includes both the Planning Board and Zoning Board of Appeals budgets. This division is staffed by the Planning Coordinator, a new position added in 2013, and a part time secretary. The department's primary functions include:

- Performing professional and administrative duties in planning, organizing, coordinating, and administering the town's planning, land use, and community development functions and activities
- Providing technical support for the Zoning Board of Appeals, Planning Board, Master Plan Committee, Rails to Trails Committee, Zoning Bylaw Committee, and Industrial and Commercial Design Review Committee
- Providing information and technical assistance for other Town departments and officials
- Increasing communication between existing Town Departments
- Establishing planning goals and priorities
- Researching and drafting Zoning Bylaws
- Researching grant opportunities and writing grant applications
- Serving as primary point of contact for new projects and coordinating the Town's Development Review process
- Developing capital and operating budgets for both the Planning Board and Zoning Board of Appeals

Accomplishments

Planning Coordinator:

The newly created position of Planning Coordinator was filled in October, 2013. In the first two months of work, the Planning Coordinator has made progress on the following projects and tasks:

- Assisted both the Board of Appeals and the Planning Board with applications for special permits, site plan review, and applications submitted under Subdivision Control
- Fine tuning of the development review process for new which will lead to a more streamlined development process
- Drafted several zoning bylaw amendments for the Planning Board to review before eventual submission to the Selectmen

- Coordinated review of proposed Stormwater Management and Illicit Discharge Bylaws for adoption at Spring 2014 Town Meeting
- Working with the Rails to Trails Group to build a pedestrian trail from Danvers to North Andover
- Created new web pages for both the "Planning Department" and "Stormwater Management" on the Town website to increase communication between Town Services and the residents
- Researched all Zoning Map amendments from 1955 to the present in order to have the Town's GIS consultant covert accurate zone lines into a digital format - the end result will be an online mapping tool for use by Town employees and residents
- Drafted a "Roadway Acceptance Procedure Policy" adopted by the Selectmen in January 2014

Planning Board:

The Planning Board worked on the following applications in 2013:

- 13 Approval Not Required Plans: 11 approved, 1 denied, 1 withdrawn
- 2 Definitive Plans: 1 approved, 1 pending
- 1 Definitive Plan Modification: approved
- 1 Special Permit for Two family: approved
- 1 Road Improvement Plan: 1 denied
- 18 ZBA recommendations: 17 positive, 1 no action taken
- 14 Zoning Amendment recommendations: 13 positive, 1 no action taken
- 1 Warrant Article recommendation: 4 positive, 2 negative

Zoning Board of Appeals:

The Zoning Board of Appeals received applications for the following projects in 2013:

- 16 Special permits: 14 approved, 2 withdrawn
- 1 Special permit modification: approved
- 1 Variance: approved
- 1 Use Variance: approved
- 1 Appeal: no action taken
- 3 Site Plans: 3 approved
- 10 Site Plan Modifications: 8 approved, 2 withdrawn

FY15 Goals and Objectives

The Planning Department will concentrate on the following goals for FY 2015:

Goal: Increase staff support to both the Planning Board and Zoning Board of Appeals

Objectives:

- Create a standard format for Staff Reports which will offer recommendations on applications before both boards
- Attend all board meetings
- Review and revise Rules & Regulations for both boards, eliminate conflicting requirements and update Stormwater Management standards
- Assist the Planning Board in adoption of Stormwater Management Rules & Regulations
- Develop Special Permit modification regulations
- Research ways to increase professional review of applications before both boards
- Encourage board member attendance at local training seminars and workshops

Goal: Streamline and clarify the development process in Middleton

Objectives:

- Finalize the Development Review process initiated in 2013
- Create a Development Review Guidebook which will clearly outline the development process

Goal: Evaluate Existing Business Zoning Districts

Objective:

- Review requirements and uses allowed in existing Business zones and offer recommendations/new zoning language to encourage the most appropriate business uses for each area

Goal: Increase Open Space and Recreation opportunities for Town residents

Objectives:

- Continue to assist the Rails to Trails Advisory Group by researching grant opportunities and applying for available funds

Goal: Update mapping technology and capabilities

Objectives:

- Assist Town staff and residents with the use of the Town's new GIS online mapping tool

- Evaluate Town GIS needs so that the most useful mapping tools can be created by the Town's GIS consultant

Goal: Protect and Enhance Middleton's Environmental Resources

Objectives:

- Assist in the public process required for adoption of a new Stormwater Management Bylaw
- Create a streamlined Stormwater Permit process, if adopted at Town Meeting
- Attend Stormwater Management Training

Goal: Evaluate Town Infrastructure Needs

Objective:

- Work with Town Administrator's office to evaluate the need and potential options for both a Public Safety Center and a new Senior Center

Police Department

Chief of Police: James A. DiGianvittorio

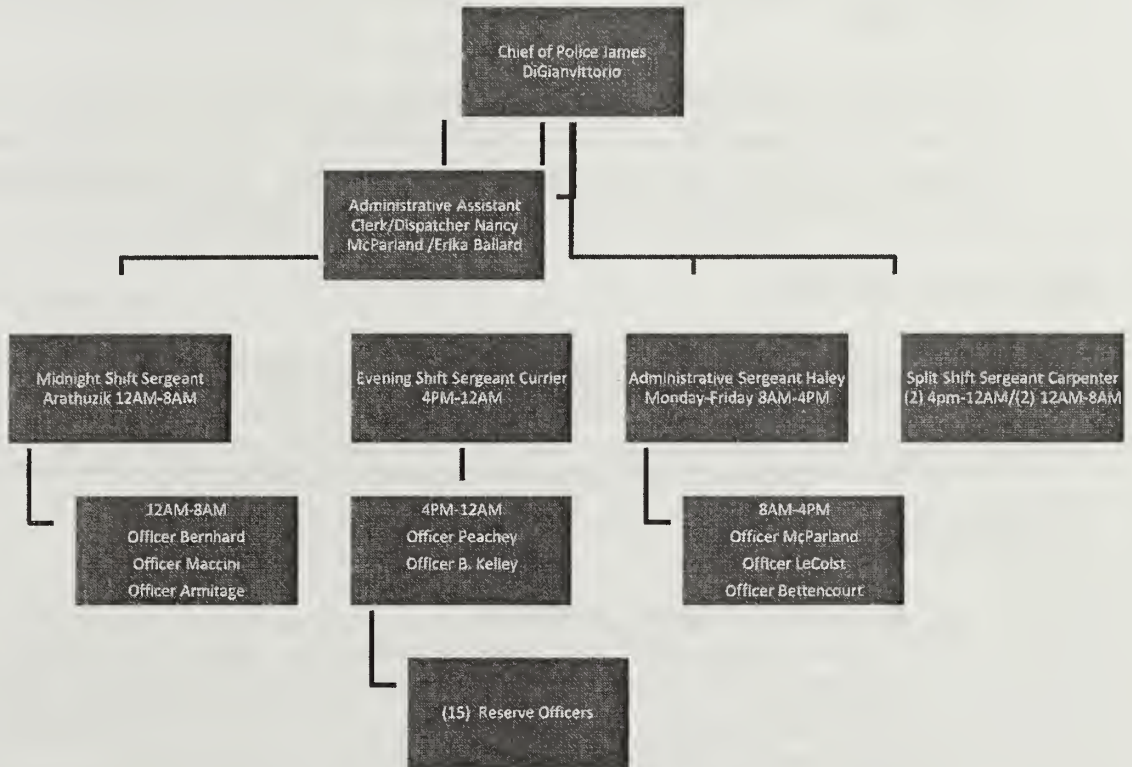
Department Description

The Middleton Police Department will strive to provide the citizens with the most community focused, efficient and effective police services available.

The Middleton Police Department believes that the effective delivery of police services is dependent on community involvement. We cannot be successful without the support and involvement of the people we serve. Crime is not solely a police problem; it is a community problem. All citizens have an obligation to participate in the maintenance of order, while delegating to the police their collective authority to enforce the law. Moreover, we believe that a collaborative police and community effort is needed not only to identify community problems but also in determining the most appropriate strategies for solving them.

The Middleton Police Department strives to maintain the highest standards of integrity. Our community invests the highest level of trust in us. We must always be mindful to never violate public trust. Each member of the Department must recognize that he/she is held to a higher standard than the private citizen. We also represent Town Government and the Law Enforcement profession. Our conduct, both on and off duty, must be beyond reproach. We must remain fiscally responsible to the community by creating a budget that reflects the department's ability to meet the needs of the community in providing quality law enforcement services while operating with acceptable limitations.

The citizens of this community must believe that they are getting good value from their tax dollar as it relates to the police department, and it is my responsibility to provide a level of service to the community that the citizens are willing to fund, and feel confident that the quality of life is maintained.



Accomplishments

- 2013 has been a very challenging year for the Middleton Police Department and for Law Enforcement in general. Once again we were forced to deal with cowards with a cause when we experienced the bombings at the Boston Marathon. This horrific event taxed the resources of all of law enforcement across the state. Closer to home our department had to endure some very violent crimes in the past year. I want to publicly commend all the men and woman of the Middleton Police department for their courage, dedication and professionalism in these trying times. I am very proud of the work that these officers perform day in and day out along with the in-house staff that helps keep the department running smoothly.
- The completion of all three phases of the Police Station Capital Improvement Plan wrapped up in early 2013. This project has alleviated the immediacy to build a new

police station, however, the fact that a new public safety facility is still a major priority for both police and fire.

- The Middleton Police Station has successfully secured a \$25,000 grant from the Stanton Foundation for the implementation of a K-9 unit. This will allow the Town to have a trained canine at its disposal, rather than being dependent on the resources from other departments.
- The Town has entered into a collaborative consortium with five other cities and towns to form the New Essex Regional Dispatch Center located in Middleton on the grounds of the Essex County House of Correction on Manning Avenue. Middleton, Essex, Beverly, Amesbury, Wenham and Topsfield have signed on to this agreement.

FY15 Goals and Objectives

The Department has established the following goals in order to provide the community with the level of police services it demands and the level of safety it expects:

1. To maintain competent staff to ensure the delivery of quality service to the community.

Objectives:

1. Recruit and hire quality employees
 2. Train employees and develop leadership skills, by sending members of the Command Staff to the FBI Law Enforcement Executive Development Seminars
 3. Encourage employees to seek college education to further their training and commitment in the law enforcement field
 4. Be accountable to all members of the department, by giving the officers the tools they need to perform the duties and responsibilities encumbered upon them
2. To obtain resources necessary to achieve our mission from broad and diverse sources.

Objectives:

1. Plan for the future, by soliciting ideas from the staff to better serve the residents of this community
2. Evaluate the cost effectiveness of programs and create a checks and balances system to assure full cooperation
3. Develop and use strong management practices

3. To maintain a high level of support and trust from the community we serve.

Objectives:

1. Be involved in the community. Develop positive public perceptions of the Department, by reinstating the Citizens Police Academy
 2. Promote mutual understanding and trust between business owners and officers in a proactive policing approach
 3. Assure a fair, honest, open and responsive approach to community needs
 4. Build citizen trust in our programs and personnel
4. To provide the citizens of Middleton the opportunity to enhance and improve the public safety rule of the road

Objectives:

1. Promote roadway safety through fair and consistent traffic enforcement with assistance from the Governor Highway Safety Bureau grants
 2. Promote roadway safety through public education, safety meetings and training in conjunction with the Town of Middleton Senior Center
 3. Work closely with the Design Review Committee to identify and correct traffic control design issues
5. To provide an environment in which the community feels secure from crime.

Objectives:

1. Take equal and timely enforcement action on violations of criminal law
 2. Take the necessary steps toward crime prevention by creating a proactive community outreach program
 3. Actively engage in positive programs for the youth of the community
6. To maintain social order consistent with community standards and statutory requirements

Objectives:

1. Deliver police services based on community needs
2. Address safety concerns with the community
3. Provide services consistent with statutory requirement

Fire Department

Chief of the Fire Department/Director of Emergency Management: Frank W. Twiss

Department Description

The Middleton Fire Department is a full-spectrum life saving agency protecting more than 9,000 persons daily who reside in a community consisting over 13 square miles.

The Middleton Fire Department, which is currently under the direction of Chief Frank W. Twiss, consists of one fire station that is centrally located in the community and employs 36 men and women who are a mix of both full-time and part-time personnel. These members participate in a variety of functions and duties including fire suppression, emergency medical services (both advanced and basic), hazardous materials mitigation, disaster response, public education and community service.

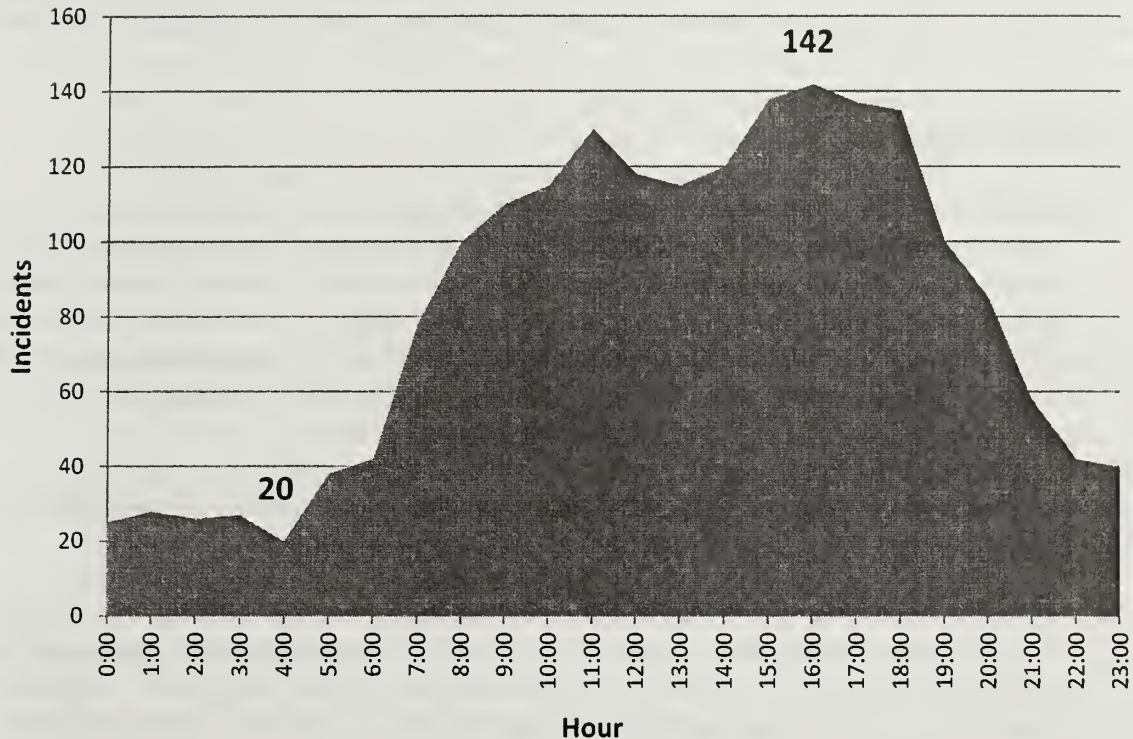
The department currently has 1 member trained at the First Responder Level, 12 are trained at the EMT-Basic level, and 20 are trained at the EMT-Paramedic level.

Accomplishments

Middleton Fire Department has been the town's primary dispatch center for decades, dating back to the days when only one firefighter was in the fire station and the police station was closed. In the spring of 1997, E-911 was introduced to the Town of Middleton and it was housed in the fire station and operated by firefighters. As the times change, our dispatch responsibilities will transition to a new facility and our current personnel will now be able to respond to incidents and not be in the station (which is a better utilization of their skills as firefighters and EMT's).

Beginning in FY 2014, the town will switch E-911 and dispatch to the new Essex County Regional Emergency Communications Center (RECC), which is located on the property of the Essex County Correctional Facility. On July 1, 2013, the RECC opened and began serving the towns of Wenham and Essex. During the year, the center will be handling all E-911 calls and dispatching for Middleton, Topsfield, Wenham, Essex, Amesbury and Beverly. This project is a result of a tremendous amount of work from the member communities and the RECC Director, Thomas Dubas and the RECC Deputy Director, Chris Ryan. In addition to the dispatching responsibilities, the center recently began to receive wireless E-911 calls from all of Essex County and a portion of Middlesex County. The ability of the Middleton center to take over this essential service in the area is a tremendous help to ease the burden in the other three centers in the state.

Middleton Fire Number of Incidents by Alarm Hour



As a result of the transition, the department lost our long-time Dispatcher/ Clerk Lily McCormack to the RECC, where she can share her 27 years of dispatching experience with the staff. Lily was a person who wore many hats in our building, and we really miss her being in the station with our fire department family. However, when we hear her voice at the RECC we know that she will continue to be a true professional and make sure we are all safe and we receive the high level of dispatch services we need and deserve. The department had both an informal and formal party for Lily to recognize her service to the community and we wish her the best of luck in her new position. We also lost our part-time dispatchers, Robert Aldenberg, David Leary, Sr., and Matthew Newman. Thank you Lily, Bob, David, and Matt for your service!

In the last year, the fire department purchased a new "Squad 5" utility vehicle to replace the 2000 Ford F-450 vehicle that was transitioned to a utility vehicle for the DPW. The new squad is similar in size to the old vehicle, with the exception of a snow plow (which has been utilized on numerous occasions over the last 2 winter seasons).

During the summer of 2013, the apparatus floor area received additional work including new storm windows and gear racks for the firefighter's turnout gear. The new rack system stores the gear in a cleaner and more organized fashion, and allows for the gear to dry more quickly after

an incident. Each member has their own area to hang the coat and store the other gear without any mixing of others gear and belongings. During that same time, the building's 20+ year-old air conditioning system was replaced with a new energy efficient unit, which has resulted in a lower cost of usage and better/ more reliable service. The original system consisted of 2 units that were donated to the department from a building that was being demolished.

Other accomplishments include:

- Continue to attend numerous meetings with Bostik officials over the past year regarding both the rebuilding and demolition efforts at the facility. The department worked closely with the new plant manager and other key members to ensure compliance with the local hazardous materials bylaw and the newly adopted Massachusetts regulation "Processing of Hazardous Materials" under 527CMR 33.00. A major project included the beginning of the replacement of the fire alarm system for the entire facility, which involved both the new construction and the existing buildings.
- Three call firefighters completed paramedic training: Brittany LeColst, David Kelsen, and Sean Merrigan.
- Appointed one new call firefighter: Thomas Raymond. The department also accepted the retirement notice from Captain Peter Francis. Captain Francis worked as a call firefighter since 1978, and was a tremendous asset to the department, bringing his experience as a full-time firefighter at Massport to our community. Thank you Captain Francis for your dedicated service to the Town of Middleton.
- Under the direction of the department's Fire Prevention Officer, Captain Thomas Martinuk, the department continues to be a strong presence in the schools with fire safety training and education. In addition, Captain Martinuk and other members work closely with the Middleton Police and the schools and participate in lock-down drills to ensure that our schools are safe and we are ready to respond in the event of an incident.
- The department's Emergency Medical Services Director, Lieutenant Douglas LeColst, conducted numerous CPR classes for both town employees and citizens. Lt. LeColst is also actively involved with the Essex County Fire chief's Association EMS Division, as well as the regional Zoll E-PCR project, which partners area ambulance services with Beverly Hospital to provide a cost-effective method of creating and storing patient care reports.
- Worked closely with DCAMM on the construction of the new Regional Intake Facility at the Correctional Facility and the DYS Facility on Gregory Street.

- The department continues to participate in joint EMS training with the North Reading Fire Department to provide cost-sharing of EMT instructors. The first year of the program was very successful.
- The department mechanic, Lieutenant Kenneth LeColst, continues to provide a cost-effective service to both the fire department and the DPW. Lt. LeColst saves the town money by performing many repairs “in-house” as opposed to sending the vehicles to repair facilities, which can cost up to \$100 per hour. To assist Lt. LeColst with his responsibilities, we removed the old body from the department’s 1993 Ford F-350 fire alarm truck and placed the body from the 2000 Ford F-450 to create a maintenance vehicle at virtually no cost to the town.
- MIIA Instructor Ken Jones provided the department with a comprehensive Emergency Vehicle Operator’s Course, which involved both a classroom and practical components. The classroom consisted of a review of the basic rules of the road and our responsibilities and vehicle operators to safely drive these heavy and very expensive vehicles to and from incidents safely. The practical exercise took place at the DiGrazia property off Sharpner’s Pond Road, and involved a review of air brakes, the pre-trip inspection, and a series of practical maneuvers similar to the CDL process. We received positive feedback from all who participated.

FY15 Goals and Objectives

- On July 1, 2013, the six original communities that signed on to the new Regional Emergency Communications Center (RECC) will be on-line. This impressive facility will not only serve the communities of Amesbury, Beverly, Essex, Middleton, Topsfield, and Wenham, it currently answers wireless E-911 calls for Essex County and a portion of Middlesex County. During FY 2015, we will have fully transitioned to the center and will continue to work with Director Dubas, Deputy Director Ryan and the advisory boards to continue our pursuit of high-quality and professional dispatch services. Our ongoing development of new initiatives and projects for proper capital planning and efficient service delivery will be a priority.
- The condition of the existing police and fire department buildings has become inadequate for our departments needs looking into the future for our growing community. Now that the initial discussions have taken place, it is our hope that during FY 2015 the committee will be formed and the task of determining what option is best for the town will be researched and discussed with the committee and the Board of Selectmen.
- During FY 2015, Chief Twiss will participate in the 3-day Professional Development Conference, hosted by the Fire Chief’s Association of Massachusetts, during the month of February.

- During FY 2015, the department will receive grant funds for the Student Awareness of Fire Education (SAFE) program. In addition, we will receive grant funds for a newly created program called the Senior SAFE Program, which is for fire safety education in our senior population. The fire service has recognized that statistically our vulnerable populations are the very young and our elderly, but the funds for elderly fire safety education have never been available until this year. Our Fire Prevention Officer, Captain Thomas Martinuk, will administer the program. Captain Martinuk is currently trained as a SAFE Educator by the Department of Fire Services, and has many years of experience in this important fire department program.
- During FY2015, the department will research and develop more effective training programs utilizing current technology. There are vendors who provide online training for various subjects, and the members can participate in the online programs during their shift or off time, with the “hands-on” or practical exercises still occurring on Monday evenings or weekends. There is also a “home-made” component that allows our training officers to create programs for new pieces of equipment or other polices/procedures that would otherwise be conducted on training nights. This will allow for more participation by members who may not be available due to scheduling conflicts, and a standardization of the delivery of the programs.
- For FY 2015, the department is requesting an additional full-time position that can supplement our daytime coverage. When the department transitions to the RECC, there will be 4 firefighters on-duty during the night shift (5:00PM-7:00AM) and available to respond to incidents. However, the day shifts (7:00AM-5:00PM) will have only 3 firefighters on-duty. The daytime is our busiest time for both emergencies and routine activity, and it is the time when most call firefighters are working their regular jobs. Availability of firefighters during the day is an issue, so the addition of a 4th firefighter on the day shift 4 days per week will ensure better coverage. In addition, the position will be a paramedic, which will further strengthen our Advanced Life Support coverage and lessen our chances of calling mutual aid ALS in certain situations (multiple ambulance calls, only 1 paramedic on-duty, off-duty paramedics not available). The position will also provide assistance with routine inspections and other administrative tasks, and be in the fire station when the other 3 firefighters are committed to other emergency or non-emergency functions (which will help offset the elimination of the dispatcher that was always in the building before the RECC transition).

Inspectional Services

Building Commissioner/Zoning Enforcement Officer: Richard Bienvenue

Department Description

The Inspectional Services Department provides for public safety through the administration and enforcement of the State Building, Electrical, Plumbing and Gas Codes and the enforcement of the Middleton Zoning Bylaws.

Accomplishments

Oversaw completion of phase three and final phase four of the Police Station renovations.

FY15 Goals and Objectives

Permits - Maintain timely issuance of permits and performance of inspections.

Zoning - Work with the Bylaw Study Committee and Planning Coordinator to address zoning bylaw issues and any needed housekeeping changes to the Bylaw.

Training - Continuance of training and education of the Inspectional Services staff in the use of I Pad, State Building and Energy Codes, State Plumbing Code and State Electrical Code and working towards ICC Certifications.

Permitting - Work with Assistant Town Administrator to find a replacement of permitting software with an upgradable, cost effective software program that will fit the needs of the Building Department and the Town.

Public Works

Superintendent: Bob LaBossiere

Department Description

The Department of Public Works constructs, maintains, preserves, and protects the infrastructure resources of the Town. The Department provides guidance and support to the citizens of Middleton regarding the development and protection of property; design, construction, and maintenance of roadways, traffic, drainage systems, trees, water distribution, cemeteries, parks, and solid waste disposal, in order to maximize safety, benefit, and convenience to the public.

Accomplishments

Highway: The DPW's road resurfacing program for FY 2013 consisted of the following projects:

The total reconstruction of Meadow Dr., Edgewood Rd., Fuller Rd., and Fairway Dr. These roadways are all within the Brigadoon Subdivision and consisted of 11,250 linear feet of roadway. The construction included reclamation of the roadway, regrading the profile of the road, placement of four inches of bituminous asphalt, installation of a bituminous asphalt curb, and loam and seed along the roadway shoulders. The total cost of the project was \$480,000 and the funding was provided by the State Chapter 90 Program.

The roadways that surround the newly built Howe Manning School were reconstructed by the Town. The entire length of Park Street was reconstructed which included reclamation, regrading, and installation of four inches of bituminous asphalt. Central Street and Washington Street were milled to remove the top 1.5 of asphalt and a new wearing course of bituminous asphalt installed. As part of this project, the granite and concrete sidewalk was extended down Central Street to the parking lot at the end. The total cost of the project was \$160,000 funded through the school building project.

Public Works repaved Boston Street from South Main Street to Thornton Circle. The project consisted of milling 1.5 inches of bituminous asphalt and installing a new wearing course of bituminous asphalt for a length of approximately 5,000 linear feet. The total cost of the project was approximately \$100,000 and funded via the town contribution to the capital budget.

The street crack sealing program was continued as part of the DPW road maintenance program with 1,715 gallons of fiber reinforced sealant placed.

The patching of potholes and various road defects required the placement of 24 tons of bituminous asphalt during this year in order to make Town roads safe.

This fiscal year the Town received Chapter 90 funds from the Commonwealth of Massachusetts totaling \$300,594.

The Town's 2.7 miles of gravel roads were graded once during the year with select materials added where needed.

The Town's accepted road mileage now stands at 48.3 linear miles with a total road inventory of 57.8 miles. New subdivisions in the planning and construction stages will soon increase this total.

Snow and Ice: The 2012-2013 winter season proved to be a slightly above average season with a final snow accumulation of 70 inches (average 66 inches). There were nine measurable snow events. The first snowfall event occurred on Saturday, December 29, 2012 (4.5 inches) and

concluded with a final snowfall on Tuesday, March 19, 2013 (10 inches). Private contractors were called out six times to help town forces plow roadways during the winter season.

The largest storm occurred on Saturday, February 9, 2013 in which over 28.0 inches of snow accumulated in Middleton. Due to the snowfall and call outs for icy roads, the DPW's snow and ice budget of \$242,500 was over budget by \$4,870.12. Throughout this period, the deicing trucks placed approximately 1,500 tons of salt, 450 tons of sand, and 1,000 gallons of liquid calcium chloride on Town roads to make the roads safe for residents and commuters.

Cemetery: During the past year there were 47 internments at Oakdale Cemetery (30 full burials and 17 cremations). A total of 36 new lots were sold of which 15 were single graves, 17 were double graves and 4 were four grave lot sales. Revenue collected from the sale of lots amounted to \$9,930. DPW personnel installed 7 monument foundations, 4 flush markers and 10 veteran's markers during this period.

The DPW crews spent many hours cutting and pruning the ten acres of grounds of the Oakdale Cemetery in preparation for Memorial Day and throughout the summer in order to maintain this beautiful memorial park. We will continue to landscape the expanded area of the cemetery and provide a buffer to the back stockpile area and we repaved approximately 750 linear feet of roadway within the cemetery. DPW also continued maintaining several smaller historic burial grounds throughout town during this period.

Parks and Playgrounds: Municipal recreation areas were addressed routinely during the year with grass cutting, tree and shrub pruning, trash removal and fertilization on a regularly scheduled basis. All baseball and soccer fields were maintained initially at the beginning of the season and thereafter with weekly grass mowing, fertilization, aeration, over seeding, infield grooming, and line painting. School grounds were maintained with grass cutting, weeding of beds and mulch applications.

Water: During the past year the Middleton Water Division performed and accomplished the following tasks:

- Repaired 5 fire hydrants
- Raised or repaired approximately 12 buried water gate service boxes
- Issued 45 permits for new water services and 5 permits for renewal of water services. This enabled the collection of \$57,400 in water connection fees
- Published the Annual Consumer Confidence Report as well as a number of other reports required by the Department of Environmental Protection

- Completed two rounds of testing of all backflow prevention devices in town as required by the Massachusetts Department of Environmental Protection's (DEP) mandated Cross-Connection Program
- Conducted weekly water sampling throughout the Town for bacteriological analysis, chlorine residual and pH as required by the DEP
- Completed the annual hydrant-flushing program of the entire system in April expending approximately 1,310,000 gallons of water
- Continued the ongoing gate/valve exercising program
- Performed maintenance (sanding, painting and lubricating) on 100 of the Town's inventory of fire hydrants
- Continued enforcement of the water conservation bylaw which restricts outside irrigation from May through September

Eleven years ago the DEP issued an Order to Complete along with Modified Water Withdrawal Permits to all towns withdrawing water from the Ipswich River Watershed Basin. A settlement between the DEP and the Danvers/Middleton water system was reached in the spring of 2006. The Modified Permits now demand that those entities complete a wide array of water conservation measures. Included in this order is the lowering of the water per day per capita to 65 gallons per capita/per day. Presently the residential average daily consumption is approximately 60.13 gallons per day per person.

The May 10, 2005 Annual Town Meeting overwhelmingly approved bylaws that restrict the use of irrigation systems to water vegetation between the hours of 8:00 AM to 7:00 PM from May 1 thru September 30 of each year. The Town of Middleton actively enforced this bylaw in Fiscal Year 2013 and had to issue 93 citations for violating the by-law. The citations consisted of 76 warnings, 13 second offense violations for \$50/ea. and 4 third offense violations for \$100/ea.

Subdivision construction and infrastructure improvements to the Town's water distribution system accounted for the installation of 2,725 linear feet of eight inch water main along with the addition of 7 fire hydrants in the past year. The Town's distribution system inventory now contains 37.1 miles of water mains, 407 fire hydrants, and 1,547 metered connections servicing approximately 5,476 residents with an average daily consumption of 514,410 gallons of water. This total is a decrease of 1,975 gal/day over the previous fiscal year's daily average.

Solid Waste and Recycling: The Middleton Transfer Station continues to run well and provide a very efficient waste disposal service to the residents of Middleton. This past year Middleton residents were responsible for recycling 890 tons of material and enabling the removal of 31 percent of all waste brought to the Transfer Station. Every ton of material recycled enables the

Town to receive additional grant funds and also contributes to reduced waste disposal costs for residents. The increasing world demand for scrap metal enabled the Town to collect nearly \$9,000 for 86 tons of recycled household appliances and various iron products. The following is the amounts of resources that were either recycled or disposed at the transfer station during FY 2013:

Residential Trash	1,943-tons	Disposed
Plastics	52.03 tons	Recycled
Mixed Paper/Cardboard	277.50 tons	Recycled
Mixed Glass	67.85 tons	Recycled
Tires	3.94 tons	Recycled
Christmas Trees	4.24 tons	Composted
Waste Oil (1300 gallons)	4.55 tons	Recycled
Leaves and Brush	324 tons	Composted
Metals/White Goods	86.50 tons	Recycled
Aluminum/Tin Cans	10.36 tons	Recycled
CRT's/TV Monitors	34.34 tons	Recycled
Construction/Demolition Material	2.55 tons	Disposed
Used Clothing	22 tons	Recycled
Total Materials Disposed: 2,833 tons	Total Materials Recycled: 890 tons = 31%	

General: Along with the various projects undertaken by the Department of Public Works, the following miscellaneous activities occurred:

- The Annual Town Meeting approved the funding reconstruct the small soccer field at the Emily Maher Park. The improvements were completed in the summer of 2013.
- The Annual Town Meeting also approved the funding to replace both trash compactors at the transfer station. Both units were replaced in 2013 with new systems that meet the new regulations for safety.
- The Essex County Correctional Facility supplied the community service inmates along with “boot camp” inmates to clean the litter on Town roads and illegal dumping areas on multiple occasions and also helped with the clean-up operations after the third Annual Chief Wills Day event
- The Essex County Correctional Facility Graphic Arts students printed a number of separate mailings that the Town sends out regularly to inform residents of important notices at little or no cost

- The Lawrence Trial Court's Community Services Program supplied crews on many occasions to maintain the Town's cemeteries and to clean the Town beach as well as the perimeter of the Transfer Station. This included fall leaf removal at the Oakdale, Merriam, Flint and Old Fuller Cemeteries
- DPW personnel continued with the ongoing work-safety program and attended various safety training seminars, CPR training and water certification courses. The DPW personnel also spent much time involved with community projects such as the Annual Chief Wills Day, maintenance of the Middleton Canoe Launches on South Main Street and Peabody Street and the designated Stream Team park areas.

FY15 Goals and Objectives

Water: Develop a new Water Contract that works for the Town of Middleton and Town of Danvers. A proposed new arrangement for revenue to the Town of Middleton has been presented to Danvers and communication will continue to have a new contract in place soon. With this new contract, we hope to have additional money (raised through the water rate) to hire additional help for the Water Division. Work will be conducted to prioritize the best use for the additional help and to update asset management and water conservation management.

Efficiency: I believe a review of how the Public Works operates on a daily basis needs to be reviewed. I plan to take a look at the Deputy Superintendent, Senior Foreman, and Working Foreman positions to see where we can be more efficient. I believe a review of operations every few years to make sure employees are communicating, identifying their strengths and weaknesses, documenting their work to see where we can operate more efficiently.

Asset Management: The Town has been working with an outside vendor to implement the GIS system. I intend to work with the contractor to build layers for the DPW to include Asset Management. We will use a hand held GPS unit to capture coordinates for infrastructure such as water main gates, services, hydrants, manholes, catch basins and other structures owned by Town. I hope to employ an intern who will assist with this work.

Board of Health

Public Health Director: **Derek Fullerton**

Department Description

The Board of Health is committed to improving public health through promoting an individual's well-being, preventing disease, and protection of an individual's health within the community.

Primary functions include:

- Monitoring health status to identify community health problems
- Diagnosing and investigating health problems and health hazards in the community
- Informing, educating, and empowering people about health issues
- Mobilizing community partnerships to identify and solve health problems
- Developing policies and plans that support individual and community health efforts
- Enforcing laws and regulations that protect health and ensure safety
- Linking people to needed personal health services and assure the provision of health care when otherwise unavailable
- Providing a competent public health and personal healthcare workforce
- Evaluating effectiveness, accessibility, and quality of personal and population-based health services
- Researching for new insights and innovative solutions to health problems

Accomplishments

Over the past year, each department has contributed in ways that have assisted in staying within our budget limits while improving departmental efficiency and productivity. These contributions include:

- **Departmental Assistance:** The Health utilized two senior workers to assist in daily functions and tasks such as filing, database entry, and even nursing skills for our senior wellness clinics and flu clinics, In addition, two public health interns assisted in public health projects such as emergency dispensing site planning for infectious disease response.
- **Increasing access to healthier food:** The Middleton Health Department partnered with the Middleton Farmers Market and secured funding to obtain a point of sale device to allow supplemental nutritional assistance programs (SNAP) purchases at the market. This opportunity assisted in efforts to reduce the health disparity of access/cost of

fruits/vegetables and other healthy foods to people of lower income in efforts to battle the obesity epidemic and other chronic health issues associated with unhealthy eating.

- **Nutrition/Food Education:** The Middleton Health Department educated the public at local events and settings about the five food groups that are the building blocks for a healthy diet using a familiar image—a place setting (a meal plate). Education involved interaction with toddlers and adolescents and their caregivers about promoting healthy food choices and portion sizes. Upon completion of the education, each child was provided a healthy portion plate to use at home.
- **Grant Funding:** The Department applied for and received a mini grant for sun safety/skin cancer. The department continues to supplement our local budget with grant monies from various sources. The Health department was granted funding for continued emergency preparedness planning from the Center for Disease Control and Prevention (CDC) in the amount of \$4,335.
- **Medical Waste Disposal:** The Department partnered with Middleton Police and Fire Departments to implement programs for residents to properly dispose of medical waste including sharps (needles) and unused/expired medicines.
- **Qualified Personnel:** The Board of Health authorized two highly qualified food inspectors to conduct routine food inspections of food establishments within the community.

FY15 Goals and Objectives

The Health Department will continue current projects and implement new goals for the upcoming year as follows:

- Organizational Goal: increase awareness on healthy food choices within adolescents.
Objective: Conduct nutrition and food education within the pre-school setting including education on healthy food choices and proper meal portion sizes. Disseminate meal portion plates that children can bring to their homes for parent recognition and use.
- Organizational Goal: Promote illicit discharge bylaw for adoption
Objective: Assist the planning coordinator and associated departments in the promotion of a storm water and illicit discharge bylaw and associated regulations for adoption at FY15 Town Meeting.

- Organizational Goal: Promote plans and efforts within the community that will lead to increased opportunities and areas to increase physical activity.
Objective: Continue to serve as the on the Middleton Rails to Trails Advisory Committee. Explore public and private funding to initiate the planning and construction of the first phase section of the rail trail.
- Organizational Goal: Increase awareness of healthier food choice selections in local food establishments
Objective: Explore programs that collaborate with local food eateries where certain healthier food items can be identified, offered, and promoted on the menus.

Council on Aging

Executive Director: Susan Gannon

Department Description

The Council on Aging provides a nurturing, respectful and dignified environment in which our programs meet the needs of individuals. We strive to promote personal growth, good health, financial security, socialization and education. Every day over 1 million older adults connect at their local senior center, according to NISC/National Institute of Senior Centers. We are one of over 11,000 senior centers that have similar goals for those aged 50+.

We advocate for older residents. We are considered to be one of the friendliest, most supportive and compassionate senior centers on the North Shore. We go above and beyond to make our guests feel like family. We concentrate on enhancing economic security; improving health; as advocating for those we serve.

We have very little turnover in employment which supports continuity of service. We are a popular environment in which to work and we all pull together to accomplish the goals and objectives as outlined in our mission statement. It is not unusual for employees and Senior-Work-Off partners and volunteers to give more than the time for which they will be monetarily compensated. We are invested in what we do.

Accomplishments

TOTAL MEAL SERVED	2012	2013
NSES Congregate Meals Served:	1,822	1,868
NSES Home Delivered Served:	2,830	3,051
Our own Congregate Meals Served:	284	127
Patio Parties Meals Served:	165	85
Off-Site Congregate Meals Served:	72	60
Special Event Meals Served:	522	694
	5,695	5,885

TRANSPORTATION

Shopping/Errands:	138	380
Lunch Bunch:	430	400
Trips to Senior Center Programs:	2,670	3,140
Special Events/Trips:	456	634
Medical Transportation/Outreach:	194	108
	4,888	4,662

FY15 Goals and Objectives

Life Expectancies:

1796	24 yrs of age		
1896	48 yrs of age		
1996	Men: 69	Women: 77	
2003	Men: 73	Women: 80	
2012	Men: 76	Women: 81	

Those 60+ are one of the largest demographic segments in the nation, comprising 21% of the total population. According to the 2003 Erdos & Morgan Readership Research Study, adults in the 50+ age group represent 37% of the adult population and will grow to 45% by 2015. In Massachusetts and in the Northeast in general, this number may turn out to be greater, as we tend to have a higher percentage of aging in place people 50+.

Projections for Middleton residents aged 60+, according to the 2010 Census, point to a potential population demographic in excess of 4,000 by 2015.

Given how close FY15 is to us now, it is imperative that we be better prepared to meet the needs of this increasing population which has every right to expect more than we can currently provide. It is already happening.

The increasing number of 55+ developments in town may work well for the school systems and other resources, but it does not bode well for those who are part of the 50+ demographic. The generations of residents who range in age from 50+ to 95+ are the ones who had worked hard to make this town the wonderful place it is now and will be in the future. The Council on Aging acknowledges and provides space for those who have been instrumental in all of this.

GRANTS/FEES/ DONATIONS SERVICES	FY08	FY09	FY10	FY11	FY12	FY13
TITLE IIIC	11,751	11,751	9,812	9,214	9,000	9,737
TITLE IIIB	4,500	4,500	4,500	4,500	4,500	4,322
FORMULA GRANT	6,617	6,617	7,126	7,126	7,126	11,718
TOTALS	24,868	24,868	21,438	20,840	20,626	24,827

Veterans' Services

Veterans Agent: Ted Butler

Department Description

The Veterans' Services Department, staffed by a part time Director/Veterans Service Officer, has completed thirteen calendar years of providing services and benefits to veterans and their dependents. It has assisted veterans and their dependents with appropriate benefits by helping with many areas of paperwork such as:

- Chapter 115 Requirements from the Department of Veterans' Services
- Veteran requests for Compensation and Pension
- Widow requests for Widow's Pension
- Family requests for Aid & Attendance for Veteran/Spouse
- Funeral reimbursement
- Flag reimbursement
- Requests for Discharges and changes to DD214's
- Updating lists of current veterans, deceased veterans and those who have moved out of town
- Veteran requests for the annuity from the Department of Veterans' Services
- Providing support documents for town departments such as real estate abatements, veteran and senior work off programs, and grants.

Other primary tasks include providing transportation to appointments as well as the follow up and investigation to determine continued eligibility.

The Office of Veterans' Services works with the American Legion, other service organizations, and town departments to provide proper ceremonies recognizing veterans' contributions to our country, state and community. It continued to assist the Memorial Day Committee in maintaining the display of American Flags on downtown streets and on town flagpoles as well as coordinating half-staff advisories. It provided educational information to veterans, schools, and those in need of veterans' services. The oral history project of interviews to preserve veterans' memories has been continued with copies available at the Historical Society, Flint Library and Veterans Service Office. Representation of Veterans Services for the town was provided at the Wreath's Across America ceremony, 911 ceremony, Veterans Day and Memorial Day ceremonies at Elementary schools, High Schools, and Colleges.

Accurate records and statistics on veterans from Middleton, past and present, are kept as required by the Massachusetts Department of Veterans' Services. The DVS computer based system is utilized in the administration of the Chapter 115 services. The veterans' part of the town WEB page is updated on a regular basis with news events and links to veterans' services. The Director keeps current on his job requirements by monitoring emails, phone messages, directives and notices from the Department of Veterans' Services and Veterans Administration. He attends monthly meetings of the Northeast Veterans' Service Officers Association as well as annual training Conferences by the Department of Veterans' Services and the Massachusetts Veterans' Services Association.

Plans for the coming year include attendance at the January Legislative Luncheon at the State House to meet with our Legislative members and advocate for bills to assist veterans. Several Breakfast meetings at the Senior Center are planned this coming year as well as a continuation of the oral history project. There are also plans to continue the establishment of a permanent record of Discharges and DD214's. Plans are also being made to support the hosting of the Chelsea Soldiers Home residents at the American Legion Post on Chief Wills Day. I plan to utilize the Veterans and Senior Tax Work-off people to help with some of these projects. Finally, the long term need of this department will be to develop job descriptions for the next Director of Veterans' Services.

Accomplishments

- Continued to record video oral histories of Middleton Veterans
- Applied and was accepted for a transportation grant to aid in the transportation process for Veterans to VA facilities
- Attended several Career Fairs for Veterans at North Shore Community College and Salem State University as well as attending two annual training sessions provided by the State Department of Veterans' Services

- Mailed letters to all Middleton Veterans to make them aware of the new Valor Act which enabled them to apply for a Veterans' Work-Off Program to reduce their Real Estate Taxes

FY15 Goals and Objectives

Plans for the coming year include:

- Attendance at the January Legislative Luncheon at the State House to meet with our Legislative members and advocate for bills to assist veterans
- Several Breakfast meetings at the Senior Center are planned this coming year as well as a continuation of the oral history project
- Continue the establishment of a permanent record of Discharges and DD214's
- Support the hosting of the Chelsea Soldiers Home residents at the American Legion Post on Chief Wills Day
- Utilize the Veterans and Senior Tax Work-off services to support Veterans Service Department projects
- The Department will develop a job description for the next Director of Veterans' Services

Flint Public Library

Library Director: Melissa Gaspar

Department Description



There's more to the library than books!

The Flint Public Library is the heart of the community and a vital center that provides access to information, education, and technology. More than 1,000 people visit the library each week to check out the 54,000 books, 4,000 videos, 2,000 audio books, 43,000 eBooks and 150 magazines and newspapers. People enjoy using the 11 different passes to major museums, and other cultural and recreational areas. The library has 16 public computers.

Special Events, Book Groups, Story Hour, Speakers, Summer Reading Programs & more!

The library hosts more than 360 programs yearly dedicated to cultural, recreational or educational subjects. For children, story hour sessions and after-school programs are offered weekly as the library is committed to promoting reading and literacy to the community's youth. Maintaining a cooperative relationship with Middleton's educational institutions, the Flint Public Library welcomes the afterschool bus which stops at the library each afternoon. The library provides a quiet environment for children to do their homework, supporting research as well as leisure reading. Adults take part in the Flint's many programs, including the popular book discussion group, an avid writing group, author visits and more. The library is also committed to delivering library material to the elderly and homebound via the Outreach Program.

The library is open 24/7 via the Internet

The library boasts healthy circulation and attendance statistics with more than half of its nearly 9,000 residents owning library cards. The library participates in a regional consortium wherein books at other libraries, both public and academic, can be located and borrowed by Middleton residents. The Flint Public Library makes its resources available to the community 51 hours per week, but people with Internet access can request books, renew books, search the online catalog, download eBooks and audio books, take a foreign language course or other online class from the comfort of their homes 24/7 with their Middleton library cards.

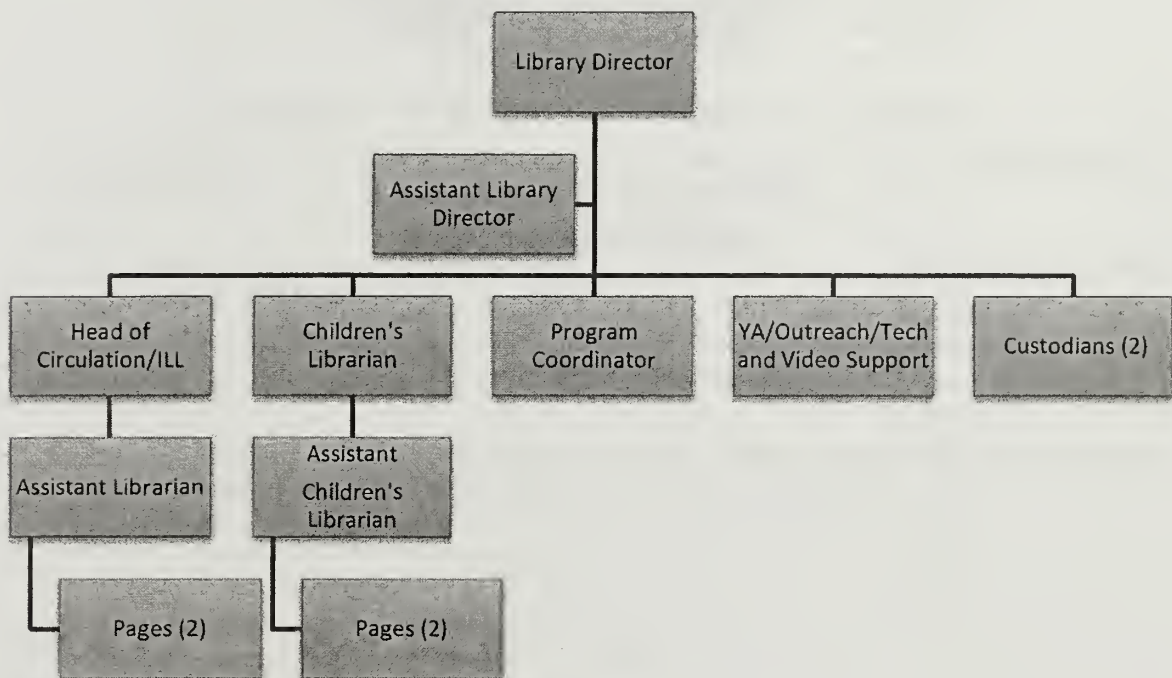
Community Meeting Space

The library Meeting Rooms provide a vital service to the community and are booked morning, noon, afternoon and night. Scout meetings, town committees, community groups, educational groups, toastmasters, are just a few of the groups that find the meeting room space the ideal place to meet. The library is centrally located and has ample parking. The library also has two

quiet study areas which are always in use by college students, post grad students or tutoring groups. The rooms are also used to proctor exams for online students or for small meetings.

Trustees and Friends

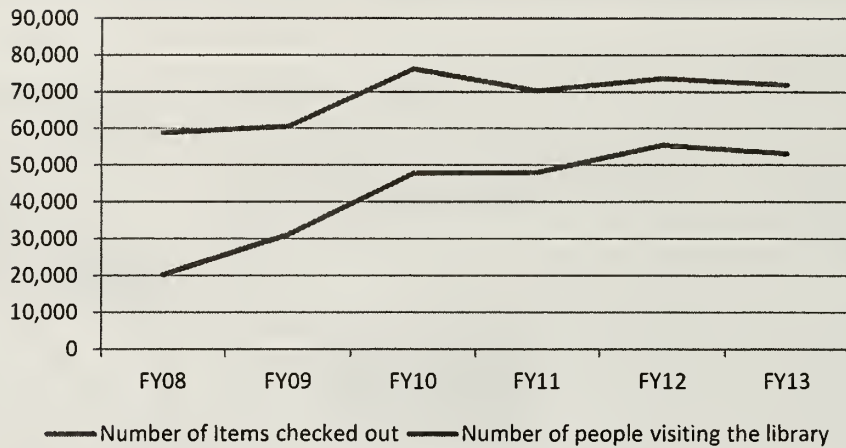
The library is supported through the Town of Middleton and overseen by an elected Board of Library Trustees who serve three-year terms and are responsible for overseeing policy decisions. The day-to-day operation of the library is entrusted to the Library Director. The library Friends group is a wonderful asset to the library, helping to promote the library and provide support.



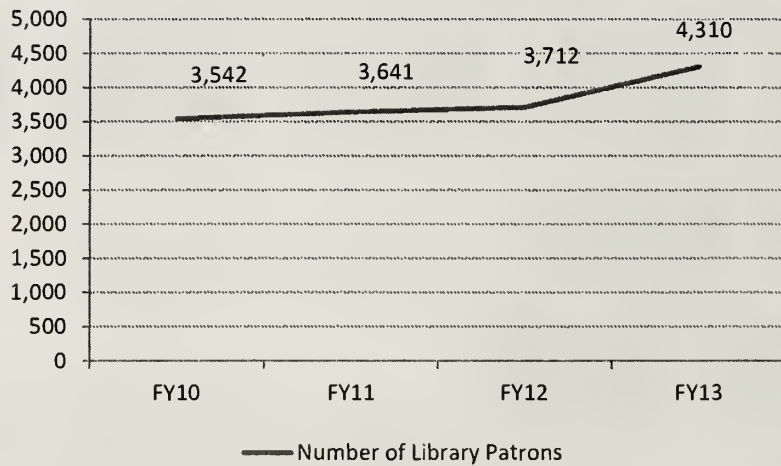
Accomplishments

- Increased the number of Middleton patrons 14%
- Successful Community Read Program
- Increased collaboration with local schools and other groups
- Provided Teen programs each month
- Upgraded library computers to Windows 7
- Began offering Fax services
- New library logo
- We now have the new outdoor sign to promote library and community events
- Expanded parking area
- Newly landscaped grounds

FY08-13 Items Checked Out and Library Visitors



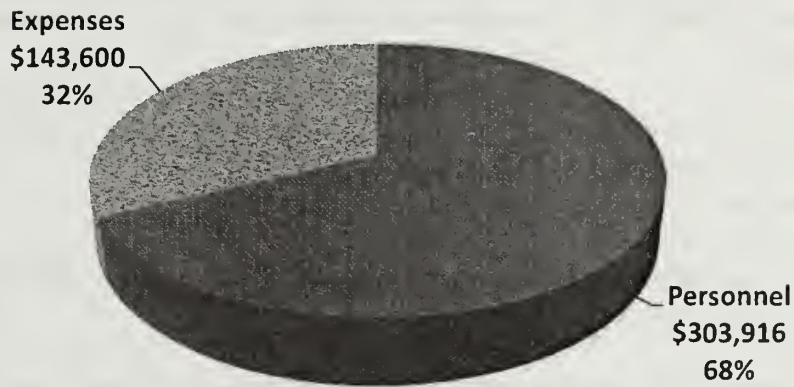
Number of Middleton residents with library cards up 14%



FY15 Goals and Objectives

- Increase Summer Hours by being open Sundays year round.
- Expand the use of the library by providing excellent programs and services for all ages thereby increasing the number of registered patrons, the number of items checked out, and the number of people coming into the library by 5%.

Library Proposed FY15 Budget



- Develop the use of the multi-media room at the library to video tape events and post on local MCTV
- Collaborate with other town groups and businesses to create a strong vibrant community
-- Middleton Board of Trade, 1728 Club, COA, Chief Will events, Earth Day, scouts, and schools.
- Develop a comprehensive marketing strategy to promote the library and update the website creating a convenient online meeting room scheduling service.

REGISTRARS OF VOTERS

The Board of Registrars of Voters is appointed by the Board of Selectmen to serve three-year overlapping terms. The Town Clerk is a Registrar by virtue of her office. The duties of the Registrars include the following:

- Register new voters
- Certify absentee ballot applications
- Certify nomination papers and petitions
- Conduct election recounts
- Maintain and update the list of registered voters
- Prepare the annual census

The Board holds a special registration session before each election and town meeting. In addition to the special sessions, any resident of the Town may register to vote in the Town Clerk's Office Monday, Wednesday and Thursday, 9:00 a.m. to 4:00 p.m., Friday, 9:00 a.m. to 1:00 p.m., and Tuesday 9:00 a.m. to 6:00 p.m. Mail-in registration is also possible. Forms are available at the Town Clerk's Office, on the Town website at www.townofmiddleton.org, or by calling the Town Clerk's Office at 978-774-6927.

As of January 1, 2013, the Board found the number of residents to be 8454, which is an increase of 166 residents since January 1, 2012.

As of the close of registration for the 2013 Annual Town Meeting and Election, the number of registered voters and their party enrollment is as follows:

	Precinct 1	Precinct 2	Total
Democrats	609	593	1,202
Republican	443	416	859
Unenrolled	1,685	1,722	3,407
Green-Rainbow	3	2	5
Libertarian	2	16	18
Reform	0	1	1
Conservative	0	1	1
American Independent	0	1	1
Interdependent 3 rd Party	0	2	2
Total	2,742	2,754	5,496

Respectfully Submitted,

Sarah George (Ex Officio)
James Hannon
Mary Jane Morrin

**TOWN OF MIDDLETON
STATE PRIMARY ELECTION--SEPTEMBER 6, 2012**

	PRECINCT ONE	PRECINCT TWO	GRAND TOTAL
Total Voters	2,695	2,679	5,374
Total Democratic Ballots Cast	90	97	187
Total Republican Ballots Cast	123	98	221
Total Ballots Cast	213	195	408
% Voting			8%
DEMOCRATIC PRIMARY			
Senator in Congress			
Elizabeth A. Warren	75	86	161
All Others		3	3
Blanks	15	8	23
Representative in Congress			
John F. Tierney	74	82	156
All Others			0
Blanks	16	15	31
Councillor			
Donald Bumiller	29	32	61
Eileen R. Duff	24	25	49
David W. Eppley	15	16	31
George T. O'Brine	14	15	29
All Others			0
Blanks	8	9	17
Senator in General Court			
All Others	3	1	4
Blanks	87	96	183
Rep. in General Court--Pct. 1			
All Others			0
Blanks	90		90
Rep. in General Court--Pct. 2			
Theodore C. Speliotis		88	88
All Others			0
Blanks		9	9
Clerk of Courts			
Thomas H. Driscoll, Jr.	78	86	164
All Others			0
Blanks	12	11	23
	PRECINCT ONE	PRECINCT TWO	GRAND TOTAL

Register of Deeds

John L. O'Brien, Jr.	79	88	167
All Others			0
Blanks	11	9	20

REPUBLICAN PRIMARY**Senator in Congress**

Scott P. Brown	119	94	213
All Others	1	1	2
Blanks	3	3	6

Representative in Congress

Richard R. Tisei	111	95	206
All Others	1	1	2
Blanks	11	2	13

Councillor

Maura L. P. Ciardiello	98	78	176
All Others			0
Blanks	25	20	45

Senator in General Court

Bruce E. Tarr	114	95	209
All Others			0
Blanks	9	3	12

Rep. in General Court--Pct. 1

Bradley H. Jones, Jr.	109		109
All Others			0
Blanks	14		14

Rep. in General Court--Pct. 2

Daniel Bennett		10	10
All Others		1	1
Blanks		87	87

Clerk of Courts

All Others	2	2	4
Blanks	121	96	217

Register of Deeds

All Others	1	2	3
Blanks	122	96	218

**TOWN OF MIDDLETON
 PRESIDENTIAL ELECTION--NOVEMBER 6, 2012
 FINAL TALLY SHEET**

	PRECINCT ONE	PRECINCT TWO	GRAND TOTAL
Total Voters	2,783	2,790	5,573
Total Ballots Cast	2,348	2,293	4,641
% Voting			83%

OFFICE/QUESTION	PRECINCT ONE	PRECINCT TWO	GRAND TOTAL
Electors of President & VP			
Johnson and Gray	16	18	34
Obama and Biden	966	946	1,912
Romney and Ryan	1,343	1,312	2,655
Stein and Honkala	7	9	16
All Others	0	1	1
Blanks	16	7	23

Senator in Congress			
Scott P. Brown	1,529	1,478	3,007
Elizabeth A. Warren	807	808	1,615
All Others	0	0	0
Blanks	12	7	19

Representative in Congress			
John F. Tierney	832	826	1,658
Richard Tisei	1,352	1,300	2,652
Daniel Fishman	92	85	177
All Others	0	0	0
Blanks	72	82	154

Councillor			
Maura L.P. Ciardiello	1,154	1,049	2,203
Eileen R. Duff	896	956	1,852
All Others	0	0	0
Blanks	298	288	586

Senator in General Court			
Bruce E. Tarr	1,841	1,779	3,620
All Others	0	0	0
Blanks	507	514	1,021

Rep. in General Court--Pct. 1			
Bradley H. Jones, Jr.	1,778		1,778
All Others	2		2
Blanks	568		568

Rep. in General Court--Pct. 2

Theodore C. Speliotis		1,178	1,178
Daniel C. Bennett		925	925
All Others		0	0
Blanks		187	187

OFFICE/QUESTION	PRECINCT ONE	PRECINCT TWO	GRAND TOTAL
Clerk of Courts			
Thomas H. Driscoll, Jr.	1,563	1,537	3,100
All Others	0	0	0
Blanks	785	756	1541
Register of Deeds			
John L. O'Brien, Jr.	1,576	1,544	3,120
All Others	0	0	0
Blanks	772	749	1,521
Question 1			
Availability of Motor Vehicle Repair Information			
Yes	1,820	1,769	3,589
No	251	241	492
Blanks	277	283	560
Question 2			
Prescribing Medication to End Life			
Yes	1,098	1,077	2,175
No	1,195	1,160	2,355
Blanks	55	56	111
Question 3			
Medical Use of Marijuana			
Yes	1,333	1,309	2,642
No	923	894	1,817
Blanks	92	90	182
Question 4			
Not Binding to Repeal Federal Prohibition of Marijuana			
Yes	1,191	1,187	2,378
No	856	805	1,661
Blanks	301	301	602

**TOWN OF MIDDLETON
SPECIAL STATE PRIMARY, APRIL 30, 2013**

Total Voters	2,749	2,763	5,512
Total Republican Ballots Cast	155	142	297
Total Democratic Ballots Cast	235	215	450
Total Ballots Cast			747
% Voting			14%

OFFICE/QUESTION	REPUBLICAN PRIMARY		GRAND TOTAL
	PRECINCT ONE	PRECINCT TWO	
Senator in Congress			
Gabriel E. Gomez	85	73	158
Michael J. Sullivan	32	49	81
Daniel B. Winslow	34	19	53
All Others	1	1	2
Blanks	3	0	3
DEMOCRATIC PRIMARY			
Stephen F. Lynch	116	92	208
Edward J. Markey	119	123	242
All Others	0	0	0
Blanks	0	0	0

**TOWN OF MIDDLETON
ANNUAL TOWN ELECTION May 20, 2013
FINAL TALLY SHEET**

Total Voters	2,740	2,752	5,492
Total Ballots Cast	267	222	489
% Voting	10%	8%	9%

OFFICE/QUESTION	PRECINCT ONE	PRECINCT TWO	GRAND TOTAL
Moderator			
Lynn M. Murphy	201	174	375
All Others	2	0	2
Blanks	64	48	112
Selectman			
Timothy P. Houten	205	173	378
Christine M. Lindberg	193	156	349
All Others	1	1	2
Blanks	135	114	249

Constable			
Paul F. Armitage	213	185	398
All Others	0	0	0
Blanks	54	37	91
Assessor			
Patricia A. Ohlson	200	175	375
All Others	0	0	0
Blanks	67	47	114
Elementary School Committee			
Matthew P. Cocciardi	108	100	208
Amy R. Karas	155	125	280
Mark A. Moreschi	204	182	386
All Others	0	0	0
Blanks	67	37	104
Regional School Committee			
Matthew P. Cocciardi	13	17	30
Vincent Miller	7	3	10
All Others	2	8	10
Blanks	245	194	439
Planning Board			
Robert M. Aldenberg	193	163	356
All Others	0	0	0
Blanks	74	59	133
Electric Light Commissioner			
Charles S. Clinch, III	211	179	390
All Others	0	0	0
Blanks	56	43	99
Library Trustee			
Milissa Stankus	217	178	395
All Others	0	0	0
Blanks	50	44	94
Housing Authority			
Lisa J. Cabral	199	175	374
All Others	0	0	0
Blanks	68	47	115

TOWN OF MIDDLETON
SPECIAL STATE ELECTION, June 25, 2013

	PRECINCT ONE	PRECINCT TWO	GRAND TOTAL
Total Voters	2,742	2,750	5,492
Total Ballots Cast	737	708	1,445
% Voting			26%

OFFICE/QUESTION

Senator in Congress

Gabriel E. Gomez	471	436	907
Edward J. Markey	263	267	530
Richard A. Heos	0	4	4
All Others	2	1	3
Blanks	1	0	1

ANNUAL TOWN MEETING - May 14, 2013

On Tuesday, May 14, 2013, voters of the Town of Middleton met in the Howe Manning School gymnasium. At 7:40 pm Moderator Lynn Murphy welcomed voters to the 285th Annual Town Meeting and declared that a quorum was present. (It was later shown that 110 voters were in attendance.)

After the Return of Service of the Warrant was read by Town Clerk Sarah George, Middleton Boy Scout Troop 19 presented the colors and led the Meeting in the Pledge of Allegiance.

The Moderator then asked for a nomination from the floor of Henry Tragert for Deputy Moderator, and it was so moved and seconded. The vote to elect him was unanimous, and he was immediately sworn in by the Town Clerk.

Selectman Brian Cresta paid tribute to Kate Brochu for her 20 years of service to the Town as Assistant Town Clerk.

Selectman Nancy Jones paid tribute to Middleton's oldest resident, Leopold Blais and presented a citation from the Town and a replica of the Boston Post Cane to his family for him. Ted Spelliotis presented a citation from the House of Representatives and A. J. Paglia, Bruce Tarr's Chief of Staff, presented one from the state Senate.

The Moderator then reviewed the ground rules for Town Meeting, and the articles on the Warrant were disposed of as follows:

Article 1: To hear and act on Committee Reports. Mindy Wogan reported for the School Committee; John Erickson for the Finance Committee; and Derek Fullerton and Frank Twiss for the Rails to Trails Committee.

Article 2: On petition of the Treasurer to see if the Town will vote to authorize the Town Treasurer with the approval of the Selectmen to borrow money from time-to-time in anticipation of the revenue of the financial year beginning July 1, 2013 in accordance with the provisions of Massachusetts General Laws, Chapter 44, Section 17.

The Finance Committee recommended adoption of Article 2 as written, and the meeting voted unanimously to do so.

Article 3: On petition of the Board of Selectmen acting in the capacity of the Personnel Board to see if the Town will vote to amend the Town Consolidated Personnel Plan SECTION 7.08 as follows:

**Town of Middleton Compensation Plan For Non-Union
Employees For Fiscal Year 2014**

Position/Title:	Actual July 1, 2012	Proposed July 1, 2013
Town Officials (Elected)		
Town Moderator	\$100/Yr.	\$200/Yr.
Town Constable	\$100/Yr.	\$200/Yr.
Town Clerk	\$61,447/Yr.	\$65,000/Yr.
Selectman-Chairman	\$2,100/Yr.	\$2,100/Yr.
Selectman	\$1,600/Yr.	\$1,600/Yr.
Recreation Commission Chairperson	Not Applicable	\$1,500/Yr.
School Committee Member*	\$600/Yr.	\$600/Yr.
Assessor - Each Member **	\$2,000/Yr.	\$2,000/Yr.

**School Committee members have agreed to forgo their FY14 stipend*

***Range of \$500-\$2,000 depending upon education/training level*

Non-Union Appointed Employees

General Government and Miscellaneous

Census Workers	\$1,125/Yr.	\$1,147/Yr.
Poll Officers	\$15.21/Hr.	\$15.51/Hr.
Poll Workers	\$10.84/Hr.	\$11.06/Hr.
Superintendent of Burials	\$500/Yr.	\$500/Yr.
Registrar of Voters	\$100/Election	\$100/Election
Clerk-Registrar of Voters	\$300/Yr.	\$300/Yr.
Committee and Board Secretaries	\$109/Meeting	\$111/Meeting

Finance and Administration

Assistant Town Administrator	\$70,000/Yr.	\$74,000/Yr.
Assistant Town Treasurer/Collector	\$45,000/Yr.	\$47,250/Yr.
Administrative Secretary	\$20-24/Hr.	\$20.40/Hr.
Custodian of Town Lands	\$2,050/Yr.	\$2,091/Yr.
Administrative Assessor	\$42,688/Yr.	\$43,542/Yr.
Assistant Town Clerk	\$33,973/Yr.	\$36,818/Yr.

Health and Human Services

Public Health Nurse	\$31.52/Hr.	\$32.15/Hr.
Conservation Commission Agent	\$21,977/Yr.	\$22,417/Yr.
Veteran Service Officer	\$11,902/Yr.	\$12,500/Yr.
Council on Aging Director	\$46,035/Yr.	\$46,956/Yr.
COA Outreach Worker	\$15.27/Hr.	\$15.58/Hr.
Van Driver	\$15.30/Hr.	\$15.61/Hr.

**Town of Middleton Compensation Plan For Non-Union
Employees For Fiscal Year 2014**

Position/Title:	Actual July 1, 2012	Proposed July 1, 2013
Meal Site Coordinator	\$17.34/Hr.	\$17.69/Hr.
Reserve: Drivers and Meal Site Employees Coordinator/Secretary	\$13.52/Hr.	\$13.79/Hr.
Cook	\$17.39/Hr.	\$17.69/Hr.
	\$13.35/Hr.	\$13.79/Hr.
 <u>Public Safety</u>		
Animal Control Officer	\$15,300/Yr.	\$15,300/Yr.
 <u>Public Works</u>		
Deputy Superintendent	\$68,395/Yr.	\$69,763/Yr.
CDL Plow/Sander Operator	\$22.25/Hr.	\$22.70/Hr.
Part Time Truck Driver	\$12.99/Hr.	\$13.25/Hr.
Part Time Laborer	\$10.87/Hr.	\$11.09/Hr.
Transfer Station Gate Attendant	\$13.43/Hr.	\$13.70/Hr.
 <u>Inspections</u>		
Wiring Inspector	\$17,183/Yr.	\$17,527/Yr.
Gas/Plumbing Inspector	\$17,183/Yr.	\$17,527/Yr.
Alternate Inspectors: Wiring, Health and Building	\$23.41/Hr.	\$23.88/Hr.
Planning Coordinator*	Not Applicable	range of \$50,000- \$60,000/Yr.
 <i>*Note: New Planning Coordinator position proposed for FY14</i>		
 <u>Flint Public Library</u>		
Assistant Director: Steps 1-5	\$19.55-\$22.27/Hr.	\$19.94-\$22.72/Hr.
Children's, Reference, Steps 1-5	\$18.00-\$19.55/Hr.	\$18.36-\$19.94/Hr.
Library Building Custodian	\$17.50/Hr.	\$17.85/Hr.
Pages	\$9.16-\$9.81/Hr.	\$9.34-\$10.01/Hr.
 <u>Summer Recreation Program</u>		
Program Director	\$18.07/Hr.	\$20.49/Hr.
Program Assistant	\$12.27/Hr.	\$12.52/Hr.
Recreation Assistants	\$8.20/Hr.	\$8.36/Hr.

Other Appointed Town & School Official Salaries (Not Subject to Approval of Compensation Plan)

These positions are included for informational purposes only (as salaries are set by contract and other statutes)

	<u>FY 2013</u>	<u>FY 2014</u>
Masconomet Chief Financial Officer	\$143,744/Yr	*
Masconomet School Superintendent	\$178,602/Yr	*
Masconomet High School Principal	\$134,489/Yr	*
Masconomet Middle School Principal	\$112,270/Yr	*
Tri-Town Sch. Union Superintendent	\$150,000/Yr	\$160,000/Yr
Tri-Town Sch. Union Finance/HR Director	\$118,000/Yr	\$132,000/Yr
Fuller Meadow School Principal	\$96,900/Yr	\$103,338/Yr
Howe Manning School Principal	\$97,665/Yr	\$104,678/Yr
Middleton Electric Light Manager	\$159,255/Yr	*
Town Administrator	\$120,500/Yr.	\$125,000/Yr.
Fire Chief	\$106,708/Yr.	\$109,986/Yr.
Police Chief	\$111,933/Yr.	\$114,172/Yr.
Town Accountant	\$80,885/Yr.	\$84,120/Yr.
Treasurer/Collector	\$67,500/Yr.	\$68,850/Yr.
Assessor/Appraiser	\$69,000/Yr.	\$70,380/Yr.
Library Director	\$64,000/Yr.	\$66,000/Yr.
Building Commissioner	\$77,010/Yr.	\$78,550/Yr.
Superintendent of Public Works	\$91,882/Yr.	\$93,721/Yr.
Public Health Director	\$80,580/Yr.	\$82,192/Yr.
Cable PEG Access Director	\$20,155/Yr.	\$20,558/Yr.

*Not established by printing deadline

The Finance Committee recommended the article, and it was unanimously adopted.

Article 4: On petition of the Finance Committee to see if the Town will vote to approve the Omnibus Budget for Fiscal Year 2014, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Finance Committee recommended that the combined General and Water Fund budgets of \$27,624,478 be approved with the following funding sources:

\$27,064,106	from taxation
11,500	from Senior Center Fees/NSES Grants
13,500	from Fire Alarm Fees
300,000	from an Ambulance Fund Transfer
203,372	from Water Fund Receipts
25,000	from Cellular Tower Lease Receipts
7,000	from the Unemployment Fund

and the Meeting voted to do so unanimously.

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
FUND: 01 GENERAL FUND					
FUNCTION 100: GENERAL GOVERNMENT					
Department #114 TOWN MODERATOR					
5100 Personal Services	100	100	200	200	200
DEPARTMENT TOTAL	\$100	\$100	\$200	\$200	\$200
Department #122 SELECTMEN/ADMINISTRATOR					
5100 Personal Services	167,744	178,000	192,578	192,578	192,578
5200 Purchase of Services/Supplies	22,240	22,240	24,535	24,535	24,535
DEPARTMENT TOTAL	\$189,984	\$200,240	\$217,113	\$217,113	\$217,113
Department #131 FINANCE COMMITTEE					
5100 Personal Services	1,744	1,744	1,744	1,744	1,744
5200 Purchase of Service/Supplies	70,359	71,609	71,609	71,609	71,609
DEPARTMENT TOTAL	\$72,103	\$73,353	\$73,353	\$73,353	\$73,353
Department #135 TOWN ACCOUNTANT					
5100 Personal Services	102,817	108,348	114,854	114,854	114,854
5200 Purchase of Services/Supplies	37,590	37,590	43,845	43,845	43,845
5800 Capital Outlay	1,300	1,300	1,300	1,300	1,300
DEPARTMENT TOTAL	\$141,707	\$147,238	\$159,999	\$159,999	\$159,999
Department #141 ASSESSORS					
5100 Personal Services	125,085	131,186	133,838	133,838	133,838
5200 Purchase of Services/Supplies	20,630	20,630	22,220	22,220	22,220
5800 Capital Outlay	0	1,000	0	0	0
DEPARTMENT TOTAL	\$145,715	\$152,816	\$156,058	\$156,058	\$156,058

FUND: 01 GENERAL FUND
 FUNCTION 100: GENERAL GOVERNMENT

Department #145 TREASURER/COLLECTOR

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
5100 Personal Services	146,998	150,619	155,019	155,019	155,019
5200 Purchase of Services/Supplies	40,300	40,300	40,800	40,800	40,800
DEPARTMENT TOTAL	\$187,298	\$190,919	\$195,819	\$195,819	\$195,819

Department #146 CUSTODIAN OF TOWN LANDS

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
5100 Personal Services	2,002	2,050	2,091	2,091	2,091
DEPARTMENT TOTAL	\$2,002	\$2,050	\$2,091	\$2,091	\$2,091

Department #151 TOWN COUNSEL

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
5200 Purchase of Services	40,000	41,000	42,000	42,000	42,000
DEPARTMENT TOTAL	\$40,000	\$41,000	\$42,000	\$42,000	\$42,000

Department #161 TOWN CLERK

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
5100 Personal Services	92,564	98,943	101,818	101,818	101,818
5200 Purchase of Services/Supplies	4,795	5,295	5,295	5,295	5,295
5800 Capital Outlay	1,500	1,500	2,000	2,000	2,000
DEPARTMENT TOTAL	\$98,859	\$105,738	\$109,113	\$109,113	\$109,113

Department #162 ELECTIONS/ REGISTRATIONS

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
5100 Personal Services	10,991	14,159	6,550	6,550	6,550
5200 Purchase of Services/Supplies	7,800	9,325	6,125	6,125	6,125
DEPARTMENT TOTAL	\$18,791	\$23,484	\$12,675	\$12,675	\$12,675

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
FUND: 01 GENERAL FUND					
FUNCTION 100: GENERAL GOVERNMENT					
Department #171 CONSERVATION COMMISSION					
5100 Personal Services	23,923	24,354	24,841	24,841	24,841
5200 Purchase of Services/Supplies	3,300	3,300	3,300	3,300	3,300
DEPARTMENT TOTAL	\$27,223	\$27,654	\$28,141	\$28,141	\$28,141
Department #175 PLANNING BOARD					
5100 Personal Services	1,308	1,308	28,808	28,808	28,808
5200 Purchase of Services/Supplies	3,950	3,950	3,950	3,950	3,950
<i>*Note: New Planning Coordinator position split evenly between Planning Board and Board of Appeals budgets</i>					
DEPARTMENT TOTAL	\$5,258	\$5,258	\$32,758	\$32,758	\$32,758
Department #176 BOARD OF APPEALS					
5100 Personal Services	19,650	19,650	47,473	47,473	47,473
5200 Purchase of Services/Supplies	8,950	8,950	8,950	8,950	8,950
<i>*Note: New Planning Coordinator position split evenly between Planning Board and Board of Appeals budgets</i>					
DEPARTMENT TOTAL	\$28,600	\$28,600	\$56,423	\$56,423	\$56,423
Department #181 MASTER PLAN COMMITTEE/ LAND ACQUISITION					
5100 Personal Services	1,662	1,662	1,662	1,662	1,662
5200 Purchase of Services					
DEPARTMENT TOTAL	\$1,662	\$1,662	\$1,662	\$1,662	\$1,662

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
FUND: 01 GENERAL FUND					
FUNCTION 100: GENERAL GOVERNMENT					
Department #192 TOWN BUILDINGS					
5100 Personal Services	34,580	34,580	35,272	35,272	35,272
5200 Purchase of Services/Supplies	65,624	64,452	65,452	65,452	65,452
DEPARTMENT TOTAL	\$100,204	\$99,032	\$100,724	\$100,724	\$100,724
TOTAL GEN. GOVERNMENT FUNCTION 100	\$1,059,506	\$1,099,144	\$1,188,129	\$1,188,129	\$1,188,129
FUNCTION 200: PUBLIC SAFETY					
Department #210 POLICE DEPARTMENT					
5100 Personal Services	1,138,276	1,144,836	1,198,828	1,198,828	1,198,828
5200 Purchase of Services/Supplies	164,608	176,586	172,881	172,881	172,881
5800 Capital Outlay	49,800	49,800	6,000	6,000	6,000
DEPARTMENT TOTAL	\$1,352,684	\$1,371,222	\$1,377,709	\$1,377,709	\$1,377,709
<i>*Note: Adjustments in Police and Fire FY14 budgets reflect transfer of expenses to the Essex County Regional Emergency Communications Center (ECRECC) beginning 7/1/13; \$146,129 will be added to the FY14 Cherry Sheet assessment to pay the ECRECC Middleton charge.</i>					
Department #220 FIRE DEPARTMENT					
5100 Personal Services	1,310,020	1,341,680	1,276,280	1,276,280	1,276,280
5200 Purchase of Services/Supplies	161,646	166,046	168,996	168,996	168,996
5800 Capital Outlay	14,700	14,700	15,200	15,200	15,200
DEPARTMENT TOTAL	\$1,486,366	\$1,522,426	\$1,460,476	\$1,460,476	\$1,460,476
<i>*Note: Adjustments in Police and Fire FY14 budgets reflect transfer of expenses to the Essex County Regional Emergency Communications Center (ECRECC) beginning 7/1/13; \$146,129 will be added to the FY14 Cherry Sheet assessment to pay the ECRECC Middleton charge.</i>					

	<u>Approved FY 2012</u>	<u>Approved FY 2013</u>	<u>Department Request FY 2014</u>	<u>Selectmen Recommend FY 2014</u>	<u>FinCom Recommend FY 2014</u>
FUND: 01 GENERAL FUND					
FUNCTION 200: PUBLIC SAFETY					
Department #241 INSPECTIONS DEPARTMENT					
5100 Personal Services	156,617	159,763	168,209	168,209	168,209
5200 Purchase of Services/Supplies	25,158	24,550	26,600	26,600	26,600
5800 Capital Outlay	0	800	0	0	0
DEPARTMENT TOTAL	\$181,775	\$185,113	\$194,809	\$194,809	\$194,809
Department #292 ANIMAL CONTROL					
5100 Personal Services	20,650	20,950	21,000	21,000	21,000
5200 Purchase of Services/Supplies	6,400	6,400	6,400	6,400	6,400
DEPARTMENT TOTAL	\$27,050	\$27,350	\$27,400	\$27,400	\$27,400
Department #296 TOWN CONSTABLE					
5100 Personal Services	100	100	200	200	200
DEPARTMENT TOTAL	\$100	\$100	\$200	\$200	\$200
TOTAL PUBLIC SAFETY FUNCTION 200	\$3,047,975	\$3,106,211	\$3,060,594	\$3,060,594	\$3,060,594

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
FUND: 01 GENERAL FUND					
FUNCTION 300: EDUCATION					
FUNCTION: 300: EDUCATION					
Department #301 MIDDLETON SCHOOL DEPARTMENT					
5100 Personal Services	5,958,706	6,152,083	6,365,408	6,365,408	6,365,408
5200 Purchase of Services /Supplies	2,823,615	2,971,655	3,032,832	3,032,832	3,032,832
DEPARTMENT TOTAL	\$8,782,321	\$9,123,738	\$9,398,240	\$9,398,240	\$9,398,240
Department #301 NORTH SHORE ESSEX AGRICULTURAL AND VOCATIONAL SCHOOL DISTRICT					
5600 Intergovernmental Payments (Middleton's Assessment)	365,917	389,677	298,659	298,659	\$298,659
5900 NSEAVSD Debt Service*	0	0	29,456	29,456	29,456
DEPARTMENT TOTAL	\$365,917	\$389,677	\$328,115	\$328,115	\$328,115
<i>*Note: Represents the first year debt service payment related to the construction of the new Danvers/Middleton campus.</i>					
Department #302 MASCONOMET SCHOOL DISTRICT					
5600 Intergovernmental Payments (Middleton's Assessment)	6,545,155	6,708,523	7,459,074	7,459,074	7,459,074
5900 Masconomet Debt Service	362,406	363,274	378,570	378,570	378,570
DEPARTMENT TOTAL	\$6,907,561	\$7,071,797	\$7,837,644	\$7,837,644	\$7,837,644
TOTAL SCHOOL DEPARTMENT FUNCTION 300: EDUCATION	\$16,055,799	\$16,585,212	\$17,563,999	\$17,563,999	\$17,563,999

	<u>Approved FY 2012</u>	<u>Approved FY 2013</u>	<u>Department Request FY 2014</u>	<u>Selectmen Recommend FY 2014</u>	<u>FinCom Recommend FY 2014</u>
FUND: 01 GENERAL FUND					
FUNCTION 400: PUBLIC WORKS					
Department #420 PUBLIC WORKS DEPARTMENT					
5100 Personal Services	530,760	565,969	575,483	575,483	575,483
5200 Purchase of Services/Supplies	382,550	386,700	397,914	397,914	397,914
5800 Capital Outlay	14,000	14,000	16,000	16,000	16,000
DEPARTMENT TOTAL	\$927,310	\$966,669	\$989,397	\$989,397	\$989,397
Department #425 TRANSFER STA./SOLID WASTE					
5100 Personal Services	111,495	114,922	116,688	116,688	116,688
5200 Purchase of Services/Supplies	237,170	257,120	260,050	260,050	260,050
DEPARTMENT TOTAL	\$348,665	\$372,042	\$376,738	\$376,738	\$376,738
TOTAL PUBLIC WORKS	\$1,275,975	\$1,338,711	\$1,366,135	\$1,366,135	\$1,366,135

FUND: 01 GENERAL FUND
 FUNCTION 500: HUMAN SERVICES

Department #511 BOARD OF HEALTH

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
5100 Personal Services	83,896	85,754	87,467	87,467	87,467
5200 Purchase of Services/Supplies	22,350	22,350	22,350	22,350	22,350

DEPARTMENT TOTAL

	\$106,246	\$108,104	\$109,817	\$109,817	\$109,817
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Department #541 COUNCIL ON AGING

	Approved FY 2012	Approved FY 2013	Department Request FY 2014	Selectmen Recommend FY 2014	FinCom Recommend FY 2014
5100 Personal Services	134,694	134,742	137,835	137,835	137,835
5200 Purchase of Services/Supplies	33,940	33,540	34,846	34,846	34,846
5800 Capital Outlay	1,500	1,500	1,500	1,500	1,500

DEPARTMENT TOTAL

	\$170,134	\$169,782	\$174,181	\$174,181	\$174,181
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	<u>Approved FY 2012</u>	<u>Approved FY 2013</u>	<u>Department Request FY 2014</u>	<u>Selectmen Recommend FY 2014</u>	<u>FinCom Recommend FY 2014</u>
FUND: 01 GENERAL FUND					
FUNCTION 500: HUMAN SERVICES					
Department #543 VETERAN SERVICE OFFICER					
5100 Personal Services	11,669	11,902	12,500	12,500	12,500
5200 Purchase of Services/Supplies	37,450	37,850	37,850	37,850	37,850
DEPARTMENT TOTAL	\$49,119	\$49,752	\$50,350	\$50,350	\$50,350
Department #545 TRI-TOWN COUNCIL					
5200 Purchase of Services	25,920	25,920	25,920	25,920	25,920
DEPARTMENT TOTAL	\$25,920	\$25,920	\$25,920	\$25,920	\$25,920
Department #548 MIDDLETON GARDEN CLUB					
5200 Purchase of Services	5,000	5,000	5,000	5,000	5,000
DEPARTMENT TOTAL	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Department #550 Chief Wills Day Family Festival					
5200 Purchase of Services	5,000	5,000	5,000	5,000	5,000
DEPARTMENT TOTAL	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
TOTAL HUMAN SERVICES FUNCTION 500	\$361,419	\$363,558	\$370,268	\$370,268	\$370,268

	<u>Approved FY 2012</u>	<u>Approved FY 2013</u>	<u>Department Request FY 2014</u>	<u>Selectmen Recommend FY 2014</u>	<u>FinCom Recommend FY 2014</u>
FUND: 01 GENERAL FUND					
FUNCTION 600: CULTURE & RECREATION					
Department #610 FLINT PUBLIC LIBRARY					
5100 Personal Services	270,811	273,346	290,753	290,753	290,753
5200 Purchase of Services/Supplies	136,366	138,921	139,777	139,777	139,777
5800 Capital Outlay	0	0	0	0	0
DEPARTMENT TOTAL	\$407,177	\$412,267	\$430,530	\$430,530	\$430,530
Department #630 RECREATION COMMISSION					
5100 Personal Services	13,437	13,196	14,960	14,960	14,960
5200 Purchase of Services/Supplies	28,600	28,600	28,600	28,600	28,600
DEPARTMENT TOTAL	\$42,037	\$41,796	\$43,560	\$43,560	\$43,560
Department #691 HISTORICAL COMMISSION					
5200 Purchase of Services	1,100	950	950	950	950
DEPARTMENT TOTAL	\$1,100	\$950	\$950	\$950	\$950
TOTAL CULTURE & REC. FUNCTION 600	\$450,314	\$455,013	\$475,040	\$475,040	\$475,040
FUND: 01 GENERAL FUND					
FUNCTION 700: DEBT SERVICE					
Department #710 DEBT SERVICE					
5801 Principal	836,250	851,250	1,041,200	1,041,200	1,041,200
5915 Interest	294,566	808,783	598,340	598,340	598,340
TOTAL DEBT SERVICE FUNCTION 700	\$1,130,816	\$1,660,033	\$1,639,540	\$1,639,540	\$1,639,540

**FUND: 01 GENERAL FUND
FUNCTION 900: UNCLASSIFIED**

FUNCTION: 900 UNCLASSIFIED

Department: Unclassified

	<u>Approved FY 2012</u>	<u>Approved FY 2013</u>	<u>Department Request FY 2014</u>	<u>Selectmen Recommend FY 2014</u>	<u>FinCom Recommend FY 2014</u>
195 Town Warrants/Reports	12,000	12,000	12,000	12,000	12,000
196 Audit	18,000	25,500	25,500	25,500	25,500
197 Holiday Lights	400	400	400	400	400
199 Street Lights	50,000	60,000	85,000	85,000	85,000
692 Memorial Day	5,000	5,000	5,000	5,000	5,000
911 Retirement	714,500	772,600	833,000	833,000	833,000
913 Unemployment	7,000	7,000	7,000	7,000	7,000
914 Sick Leave	1,000	1,000	1,000	1,000	1,000
914 Health Insurance	608,000	629,000	612,000	612,000	612,000
915 Group Insurance	3,000	3,000	3,000	3,000	3,000
916 Medicare	47,000	47,000	47,000	47,000	47,000
945 All Other Insurance	123,500	126,500	126,500	126,500	126,500
DEPARTMENT TOTAL	\$1,589,400	\$1,689,000	\$1,757,400	\$1,757,400	\$1,757,400

**TOTAL OPERATING BUDGET
AND GENERAL FUND 01**

	\$24,971,204	\$26,296,882	\$27,421,106	\$27,421,106	\$27,421,106
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FUND: 28 WATER FUND
 FUNCTION 400: WATER SPECIAL REVENUE

Department #451 WATER DEPARTMENT

	<u>Approved FY 2012</u>	<u>Approved FY 2013</u>	<u>Department Request FY 2014</u>	<u>Selectmen Recommend FY 2014</u>	<u>FinCom Recommend FY 2014</u>
5100 Personal Services	89,345	89,293	91,222	91,222	91,222
5200 Purchase of Services/Supplies	38,400	53,400	54,600	54,600	54,600
5900 Debt Service	61,270	59,460	57,550	57,550	57,550
TOTAL WATER FUND 28 OPERATING BUDGET	\$189,015	\$202,153	\$203,372	\$203,372	\$203,372
GRAND TOTAL OF GENERAL FUND 01 & WATER FUND 28 BUDGETS	\$25,160,219	\$26,499,035	\$27,624,478	\$27,624,478	\$27,624,478

Article 5: On petition of the Board of Selectmen and Community Preservation Committee to see if the Town will vote to appropriate or reserve from the Community Preservation Fund annual revenues or available funds the amounts recommended by the Community Preservation Committee for debt service, and community preservation projects and other expenses in Fiscal Year 2014 with each item to be considered a separate appropriation.

Proposed Fiscal Year 2014 Community Preservation Budget

The Community Preservation Committee recommends that the following amounts be appropriated or reserved from Fiscal Year 2014 Community Preservation Fund Revenues, unless otherwise specified for Fiscal Year 2014 Community Preservation Purposes with each item considered to be a separate appropriation:

<u>Purpose</u>	<u>Recommended Amount</u>	<u>Funding Source</u>
A) Reserves: Open Space	\$20,415	FY 2014 Estimated CPA Receipts
Reserves: Historic Resources	\$20,415	FY 2014 Estimated CPA Receipts
Reserves: Community Housing	\$20,415	FY 2014 Estimated CPA Receipts
B) Town Common Land Debt	\$25,525	\$20,415 from Open Space Reserve and \$5,110 from Fund Balance
C) Flint Library Debt Service	\$48,800	\$20,415 from Historic Resources Reserve and \$28,385 from Fund Balance
D) 11 South Main St. Debt Service	\$41,250	\$41,250 from Fund Balance
E) CPA Committee Admin. Expenses	\$1,000	from Fund Balance
Community Preservation Total	\$177,820	

Purpose: Each year the Town Meeting must appropriate or reserve for future appropriation at least 10% of the estimated annual fund revenues for acquisitions and initiatives in each of the following three categories of allowable community preservation purposes:

- Open space (excluding recreational uses)*
- Historic resources*
- Community housing*

This budget contains debt service from the purchase of the Thomas and Virginia Hagen property, which abuts the Town Common, 11 South Main Street and for renovations to the Flint Library.

The term "annual fund revenues" in Fiscal Year 2014 is estimated at \$195,200 and is composed of the estimated receipts from the local surcharge of \$155,000 and monies from the State Trust Fund, which will make its ninth payment in October of 2013 providing an additional estimated \$40,200 in matching funds based upon the local share raised in FY 2013.

On the recommendation of both the Finance Committee and the Planning Board, the Meeting voted unanimously to use money from the Community Preservation Act account to fund this article.

Article 6: On petition of the Planning Board and Bylaw Study Committee to see if the Town will vote to amend the Zoning Bylaw with the following deletions, additions, and language changes:

- A) To see if the Town will vote to amend the Town's Zoning Bylaws by adding a new Section 6.8, "Temporary Moratorium on Medical Marijuana Treatment Centers" that would provide as follows:

Section 6.8 Purpose

The purpose of this section, Temporary Moratorium on Medical Marijuana Treatment Centers, is to provide the Town with a reasonable amount of time to engage in a planning process to address the novel and complex legal and planning issues concerning the effects of the use of land and structures in Town for medical marijuana treatment centers and to enact bylaws in a manner consistent with sound land use planning goals and objectives.

Section 6.8.1 TEMPORARY MORATORIUM

For the reasons set forth above and notwithstanding any other provision in the Zoning Bylaws of the Town of Middleton, Massachusetts, the Town of Middleton hereby adopts a temporary moratorium on the use of land and/or structures for a medical marijuana treatment center. The moratorium will be in effect until July 1, 2014. During the moratorium period, the Town will undertake a planning process to address the potential impacts of medical marijuana treatment centers in Middleton, consider the Department of Public Health regulations concerning medical marijuana treatment centers and related uses, and adopt new zoning regulations to address the impact and operation of medical marijuana treatment centers and related uses.

In the event that the Commonwealth has not issued any permits for medical marijuana treatment centers prior to January 1, 2014, the moratorium period shall be extended to July 1, 2015, to ensure the careful review of the issues outlined above, or take any action related thereto.

To see if the Town will vote to further amend the Town's Zoning Bylaws as follows:

- B) Amend Section 3.2.1 Paragraph #1-Accessory uses and structures, Residential Districts, and Table of Use Regulations Section G-Accessory Uses, Line 2

By removing the language from Section 3.2.1 Paragraph 1, and from Table of Use Regulations Section G, Line 2, and replacing them with:

Private: swimming pool, pool cabana, tool shed, boathouse, garage, and recreational playing surface, including, but not limited to, tennis court, sport court, basketball court, and ice sport surface.

- C) Amend Section 4.1.2.1 entitled Lot Width, by adding the following sentence to the end of the paragraph:

At no point between the street frontage line and the principal structure shall the lot be narrower than 75% of the required lot frontage.

- D) Add new paragraph #9 to Section 4.1.2-Notes to Table of Dimensional Requirements:

No dwelling, or part thereof, shall be located within the front, side and rear yard setbacks, as defined by the Table of Dimensional Requirements.

E) Add "Adult Entertainment Overlay District" (AOD) to the list of overlay districts in Section 2.2-Overlay Districts

F) Amend Section 6.3.4-Driveway Grades

By removing the existing language from Section 6.3.4, and replacing it with:

Grade: The grade of each driveway where it intersects with the public way shall not exceed; 6% on major streets, 9% on secondary streets, or 9% on minor streets; for a distance of 20 feet from the travel surface of the public way, unless the Board of Appeals shall grant a special permit after a determination that said driveway will provide safe and reasonable access for fire, police and emergency vehicles.

G) Remove the definition "Private Garage" from Section 10.1-Definitions

H) Amend the definition "Rooming or Boarding House" Section 10.1.-Definitions

By removing existing definition Section 10.1 for "Rooming or Boarding House" and replacing it with:

A dwelling in which the family resident therein provides eating and/or sleeping accommodations for not more than two paying guests who use only the identical cooking facilities located in one (1) location, used by the family residents.

(Change location of definition so it's alphabetically arranged, after Retail).

I) Clarify Minimum Area of the R-1a & R-1b Districts in the Table of Dimensional Regulations

By removing the existing language from 235 Attachment I, Table of Dimensional Requirements, Columns R-1a and R-1b, Row "Minimum Area (square feet)," and replacing it with:

Minimum Area (square feet) R-1a 20,000 for a single-family, 40,000 for a two-family
R-1b 40,000 for a single-family, 80,000 for a two-family

J) Amend Table of Use Regulations, Section C-Commercial, Line 6-Nursing home, Line 7-Veterinary hospital, Line 8-Kennel and Line 9-Riding stable

By changing "N" to "BA" in Districts B and M-1, for Line 6-Nursing home, Line 7-Veterinary Hospital, Line 8-Kennel and Line 9-Riding Stable; and changing "BA" to "N" in District RA, for Line 6-Nursing home and Line 7-Veterinary Hospital.

K) Amend Table of Use Regulations, Section C-Commercial, Line 26-Educational use, non-exempt

By changing "BA" to "N" in District RA; and changing "N" to "BA" in District M-1.

- L) Amend Table of Use Regulations, Section F-Other Uses, Line 1-Drive-through or drive-up window or facility.

By changing "BA" to "N" in Districts R-1a, R-1b, RA and R-2.

- M) Amend Table of Use Regulations, Section G-Accessory Uses, Line 7-Adult day-care

By changing "N" to "BA" in Districts B and M-1.

And further that non-substantive changes to the numbering of this bylaw be permitted in order that it be in compliance with the numbering format of the Code of Middleton

Master Plan Committee Recommendation: The MPC recommends adoption of the Bylaw Study Committees proposal. The one year moratorium on Medical Marijuana Treatment Centers is appropriate in order to be able to properly make zoning decisions. These decisions should take into account the state regulations for these centers that are to be issued in May. The remaining proposals are housekeeping matters.

The Finance Committee deferred to the Planning Board. The Planning Board recommended adoption of Article 6 as written. The Master Plan Committee also recommended the article, and it was adopted by a unanimous voice vote.

Article 7: On petition of the Board of Selectmen, Assessors, Veterans Services Officer, and Council on Aging Director to see if the Town will vote to accept the provisions of Massachusetts General Laws, Chapter 59, Section 5N, the so called "Valor Act", which in part reads as follows:

"In any town which accepts this section, the Board of Selectmen may establish a program to allow veterans, as defined in clause Forty-third of Section 7 of Chapter 4 to volunteer to provide services to that town. In exchange for such volunteer services, the Town shall reduce the real property obligation of the veteran on the veteran's tax bill and that reduction shall be in addition to any exemption or reduction or abatement to which that person is otherwise entitled, provided, however that the reduction of the real estate property tax bill shall not exceed \$1,000 in a given tax year",

and to authorize the Board of Assessors to approve abatements for a maximum of up to 50 participants in the Valor Act Program and or the Senior Tax Work-off Program or take any other action related thereto.

The Finance Committee recommended that Article 7 be adopted as written, and the Meeting voted to do so unanimously.

Article 8: On petition of the Board of Selectmen to see if the Town will vote to re-authorize the following revolving funds under Massachusetts General Laws Chapter 44, Section 53E ½:

- A) The Firearms License and Permit Revolving Fund for firearm permit issuance expenses, and the purchase of equipment and technology associated with the implementation of Chapter 180 of the Acts of 1998 and to further authorize the expenditure of not more than \$15,000 of such fees.
- B) The Council on Aging Revolving Fund into which monies collected for programs, activities and trips shall be deposited for use by the Council on Aging to pay any costs related to such programs, activities and trips and further to authorize the expenditure of not more than \$35,000 for said purposes.
- C) The Recreation Revolving Fund into which monies collected for programs, activities and trips shall be deposited for use by the Recreation Commission to pay any costs related to such programs, activities and trips and further to authorize the expenditure of not more than \$35,000 for said purposes.
- D) The Recreation Field Use Revolving Fund into which monies collected for field use permits shall be deposited for use by the Superintendent of Public Works to pay costs related to field maintenance and improvements, and further to authorize the expenditure of not more than \$25,000 for said purposes.

or take any action related thereto.

On the recommendation of the Finance Committee, Town Meeting voted unanimously to re-authorize these revolving funds.

Article 9: On petition of the Board of Assessors and Assessor Appraiser to see if the Town will vote to raise and appropriate the sum of \$6,500 to contract for commercial and industrial appraisal services to assist with the Town's triennial valuation certification in Fiscal Year 2014; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Meeting voted unanimously to follow the Finance Committee's recommendation of appropriating \$6,500 from the Overlay Reserve Fund to pay for these services.

Article 10: On petition of the Fire Chief to see if the Town will vote to raise and appropriate the sum of \$19,000 with \$4,300 of that total to fund the purchase of two defibrillators, \$4,500 for the purchase of "Toughbook" computers for the ambulances, and \$10,200 for the purchase of an automated chest compression system; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Finance Committee recommended Article 10 as written with the Ambulance Fund as the funding source, and the motion carried unanimously.

Article 11: On petition of the Fire Chief to see if the Town will vote to raise and appropriate the sum of \$24,000 with \$12,000 of that total to make rust repairs to and repaint "Engine 3", \$4,500 to fund 500 feet of 4 inch LDH hose and \$7,500 to purchase and install a larger pump on Engine 4; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

As recommended by the Finance Committee, the Meeting voted unanimously to adopt Article 11 with Overlay Reserve to be the funding source.

Article 12: On petition of the Fire Chief to see if the Town will vote to raise and appropriate the sum of \$41,500 with \$25,000 of that total for the purchase of a new radio base station, \$10,000 for the purchase of a new telephone system, and \$6,500 for the purchase of a new copier/scanner/printer; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Finance Committee recommended spending \$41,500 on this administrative equipment for the Fire Department by raising the money from the Overlay Reserve Fund, and the vote to do so was unanimous.

Article 13: On petition of the Fire Chief to see if the Town will vote to raise and appropriate the sum of \$19,500 to pay for the 12 week training program of the Massachusetts Firefighting Academy and associated labor costs in order to employ a new Firefighter/Paramedic to fill a vacancy and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

On the recommendation of the Finance Committee, Town Meeting voted unanimously to fund this Fire Department training from the Overlay Reserve Fund.

Article 14: On petition of the Middleton Historical Commission to see if the Town will vote to raise and appropriate the sum of \$9,500 to provide architectural and architectural landscape services to prepare plans to restore and relocate the South Middleton Train Station from its temporary location to the intersection of Maple and King Street on Town Common land in accordance with a Master Plan completed in 2012 by the Town Common Committee, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

Purpose (provided by the Middleton Historic Commission): The Middleton Historical Commission (Commission) is planning the renovation of a train station that was once an important part of Middleton's historical, economic and cultural history. Currently, the station sits on a temporary foundation on the corner of Maple and King Streets. It is the unanimous opinion of the Commission

that this renovation will serve the town and its residents for decades to come by contributing greatly to the education and quality of life of the town's residents.

The primary members of the community who will be positively affected by the renovation are the children who attend the Howe Manning and Fuller Meadow Schools. The Commission envisions the primary use of the station to be a museum that will highlight local and train history. Teachers and students will be able to view exhibits dedicated to the town's history as well as use space in the museum to create and stage their own exhibits. Furthermore, the site sits adjacent to the Town Common and would be a wonderful complement to the renovation of that area that will include a walking trail, a boardwalk through the marsh, and other facilities that will draw residents to the site. Language Arts and Social Studies teachers could employ the museum to educate students in local and train history while science teachers could use the boardwalk to teach their classes about local wildlife. The children would also benefit from the exercise such excursions offer, since the site is in walking distance from Howe Manning. Other uses for the station could include: the Garden Club Spring plant sale, the Arts Association art show and sale, the Flint Library book sale, etc. The museum could be opened as needed, to keep low the cost of staffing the museum.

Master Plan Committee Recommendation: The MPC recommends this Article. The plan for the Henry Tragert Town Common developed by the Town Center/Town Common Committee included locating the Train Station near the Maple Street entrance to the common. The restoration of the station was to be developed and overseen by the Historical Commission. This Article, by providing design funds, is the next step in the restoration. The MPC will carefully examine the cost and financing of the restoration.

Community Preservation Committee Recommendation: The CPC recommends this Article as a Historic Preservation project with \$9,500 to come from the Fund Balance. Preserving reminders of the Town's history is an important element of the CPA. Trains transformed the economy of our Town and our country and planning for the preservation of a building that played a role in that transformation is appropriate.

The Finance Committee, the Community Preservation Committee, the Master Plan Committee and the Planning Board all recommended this appropriation from the Community Preservation Fund Balance, and the vote to do so was unanimous.

Article 15: On petition of the Middleton School Committee and Superintendent of Schools to see if the Town will vote to raise and appropriate the sum of \$26,000 to replace the swings and playground behind the Fuller Meadow School, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

Community Preservation Committee Recommendation: The CPC recommends this Article as a Recreation project with \$26,000 to come from the Fund Balance. The current swings and playground are not adequate and do not meet current safety standards.

As recommended by the Finance Committee and the Community Preservation Committee, Town Meeting voted unanimously to purchase this playground equipment with funds from the Community Preservation Fund Balance.

Article 16: On petition of the Middleton School Committee and Superintendent of Schools to see if the Town will vote to raise and appropriate the sum of \$37,000 to be used for the replacement of door hardware for the cafeteria, gymnasium and library and to purchase and install a door/card access security system at the Fuller Meadow School, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Finance Committee recommended that we take \$19,000 from Overlay Reserve and \$18,000 from a vote of a previous Town Meeting to fund this security equipment for the school department, and the vote to do so was unanimous.

Article 17: On petition of the Middleton School Committee and Superintendent of Schools to see if the Town will vote to raise and appropriate the sum of \$17,000 to pay for a portion of the costs of preliminary engineering and architectural design plans to replace the roof on the original wing of the Fuller Meadow School, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

As recommended by the Finance Committee, Town Meeting voted unanimously to transfer \$17,000 from Overlay Reserve to pay for a portion of the costs of preliminary plans to replace the roof on the original wing of the Fuller Meadow School.

Article 18: On petition of the Superintendent of Public Works to see if the Town will vote to raise and appropriate such sums of monies as may be received from the Commonwealth of Massachusetts for the fiscal year commencing July 1, 2013 to install drainage, widen, pave and otherwise improve any public way in accordance with the provisions of Section 34, Chapter 90 of the Massachusetts General Laws; and to see if such funds will be reimbursed by the Commonwealth of Massachusetts, Department of Public Works.

The Finance Committee recommended that the Town appropriate all Chapter 90 funds received from the state for roadway improvements, and the motion carried on a unanimous voice vote.

Article 19: On petition of the Superintendent of Public Works and Board of Selectmen to see if the Town will vote to raise and appropriate a sum of money to provide additional funds to supplement the State's Chapter 90 Grant funds, (authorized in the previous article) to be used to resurface and reconstruct other town streets and sidewalks within the five year capital improvement plan; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

On the recommendation of the Finance Committee, the Meeting voted unanimously to appropriate \$100,000 from Free Cash to supplement funds received from the state for roadway improvements.

Article 20: On petition of the Superintendent of Public Works to see if the Town will vote to raise and appropriate the sum of \$25,000 to repair and replace broken concrete sidewalk panels along North

and South Main Streets in Middleton Square, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Finance Committee recommended this expenditure for the repair and replacement of sidewalks in Middleton Square, and the motion carried unanimously.

Article 21: On petition of the Superintendent of Public Works to see if the Town will vote to raise and appropriate the sum of \$12,000 to replace a 61 inch riding mower for the parks and cemeteries; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

This article was adopted on a unanimous voice vote on the Finance Committee's recommendation that the funds be transferred from Overlay Reserve.

Article 22: On petition of the Superintendent of Public Works to see if the Town will vote to raise and appropriate the sum of \$125,000 to purchase a new 37,000 pound (gross vehicle weight) truck with plow frame, sanding unit, and 10 foot dump body; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

On the recommendation of the Finance Committee, Town Meeting voted unanimously to purchase this truck, with the funds to come from Free Cash.

Article 23: On petition of the Superintendent of Public Works to see if the Town will vote to raise and appropriate the sum of \$80,000 to be used together with the trade in value of the 1997 JCB backhoe to purchase a new 4-wheel drive backhoe with extender boom and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Finance Committee recommended buying this backhoe and funding it from Free Cash. The motion passed unanimously.

Article 24: On petition of the Superintendent of Public Works to see if the Town will vote to raise and appropriate the sum of \$23,000 with \$12,000 to be used to purchase a 40 cubic yard roll off trash bin for the Transfer Station and \$11,000 to erect signs at athletic fields, parks, and Old Town Hall and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

Community Preservation Committee Recommendation: The CPC recommends a portion of this Article as a joint Recreation and Historic Preservation project with \$11,000 to come from the Fund Balance. The funds will begin the process of providing signage for our athletic fields and parks and provide appropriate signage for Old Town Hall.

The Finance Committee recommended this expenditure with \$12,000 to be funded from Free Cash and \$11,000 from the Community Preservation Fund Balance. The Community Preservation Committee also recommended it, and the motion carried on a unanimous voice vote.

Article 25: On petition of the Board of Selectmen to see if the Town will vote to raise and appropriate the sum of \$36,000 to purchase two new automobiles to replace those used by the Building Commissioner and Director of Public Health; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

As recommended by the Finance Committee, the Meeting voted to buy these replacement vehicles with money from the Overlay Reserve Fund.

Article 26: On petition of the Board of Selectmen to see if the Town will vote to raise and appropriate the sum of \$35,000 to replace, computer, furniture, and file systems at the DPW Office Building, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof

The Finance Committee recommended Article 26 as written with Free Cash as the funding source. The motion carried unanimously.

Article 27: On petition of the Board of Selectmen to see if the Town will vote to raise and appropriate the sum of \$28,000 with \$22,000 to replace the front doors and make exterior repairs to Old Town Hall, and \$6,000 to purchase a replacement copy machine at the Senior Center, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing, or by any combination thereof.

Community Preservation Committee Recommendation: The CPC recommends this Article as a Historic Preservation project with \$22,000 to come from the Fund Balance. The current doors are not original or historic replicas and they do not provide appropriate functionality or insulation. The funds should be spent after consultation and review by the Historic Commission.

On the recommendation of the Finance Committee and the Community Preservation Committee, Town Meeting voted unanimously to appropriate \$22,000 from the CPC Fund Balance for the doors and \$6,000 from Overlay Reserve for the copier.

Article 28: On petition of Mr. Robert Aldenberg and more than 10 registered voters to see if the town will vote to amend Chapter 235, Zoning, Section 5.0, General Regulations of the Town Code by amending the Bylaw as follows:

- A) Section 5.2.2 – Definitions – ACCESSORY SIGN: by inserting “services” as shown in bold here:

A sign that advertises activities, **services**, goods, products, or a specific use, owner, or tenant, available within the building or on the premises on which the sign is located, or advertises the premises as a whole or any part thereof for sale or rent.

- B) Section 5.2.2 – Definitions – PERMANENT SIGN: By changing “60” to “90” as shown in bold here:

Any sign permitted to be erected and maintained for more than **90** days.

- C) Section 5.2.2 – Definitions – TEMPORARY SIGN: By changing “60 days” to “one calendar quarter” as shown in bold here:

A sign permitted to be used on a short-term basis for the duration of no longer than **one calendar quarter** unless otherwise specifically provided herein.

- D) Section 5.2.11 – Permitted Signs – all Business and Industrial Districts - #11. A-frame sign: By inserting “promotions, goods, services”, deleting “otherwise be used to advertise a continuing or regularly recurring business operation” and inserting in place thereof “be displayed for more than one consecutive calendar quarter” as shown in bold here:

An A-frame sign shall only advertise sales, **promotions, goods, services**, special events, a daily or weekly special (which changes each day or week) or changes in the nature of an operation, and shall not be **displayed for more than one consecutive calendar quarter**.

- E) Section 5.2.11 – Permitted Signs – all Business and Industrial Districts - #11(a). By adding “for each calendar year” and “A permit may not be used for assigned under this section and under another under Section 5.2.9 #12 in the same calendar year.” As shown in bold here:

Each A-frame shall require the issuance of a sign permit that complies with the requirements of this regulation for a temporary sign by the Building Commissioner and the payment of a fee **for each calendar year. A permit may not be issued for a sign under this section and another under Section 5.2.9 #12 in the same calendar year.**

- F) Section 5.2.11 – Permitted Signs – all Business and Industrial Districts - #11(b). By deleting “No premises shall be permitted to erect more than two such signs at any one time, and” and adding “The Building Commissioner may waive this limitation in circumstances where the building that is situated on a lot where the main public entrances of the majority of its occupants do not face the legal frontage abutting the public way and results in an undue hardship.”

Only one such A-frame sign shall be permitted for every 50 feet of legal frontage abutting a public way and available at premises. **The Building Commissioner may waive this limitation in circumstances with the building is situated on a lot with the main public entrances of the majority of its occupants do not face the legal frontage abutting a public way and results in an undue hardship.**

- G) Section 5.2.11 – Permitted Signs – all Business and Industrial Districts - #11(f): By deleting “taken down everything and” as shown in bold here:

The sign shall be displayed the only during the hours that the advertising entity is open for business to the general public.

- H) Section 5.2.11 – Permitted Signs – all Business and Industrial Districts - #11(j): By inserting “services, products, goods” as shown in bold here:

Signs should not contain selling slogans or other advertising which is not an integral part of the **services, products, goods**, name or other identification of the enterprise.

Master Plan Committee Recommendation: The MPC concurs with the Planning Board in recommending that no action be taken on this Article. The proposal of the petitioners, while addressing some of the issues with the current bylaws concerning A-frame signs, would benefit from additional discussion with the Bylaw Study Committee. These discussions should take place so that a proposal can be considered at the next Town Meeting.

The Finance Committee deferred to the Planning Board. The Planning Board recommended that no action be taken on Article 28 and that it be referred to the Bylaw Study Committee for further review.

Article 29: On petition of the Superintendent of Public Works to see if the Town will vote to raise and appropriate the sum of \$38,000 to replace a section of cast iron water line on Lake Street and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

As recommended by the Finance Committee, it was unanimously voted to replace this water line with the funds to be taken from the Water Fund.

Article 30: On petition of the Board of Selectmen and Conservation Commission to see if the Town will vote to request that the Town’s State Senator and State Representatives file a bill to transfer approximately 111 acres of various wetland and open space land parcels along the Ipswich River, now under the care and custody of the Commonwealth of Massachusetts Division of Capital Asset Management and Maintenance (commonly known as DCAMM) to be transferred to the Town of Middleton Conservation Commission, Essex County Greenbelt Association or any other similar organization meeting the objective of preserving said parcels for the long term protection and enjoyment for the residents of the Town, and take any related action thereto.

Purpose: Said land parcels were previously acquired by Essex County for open space and conservation purposes over several decades prior to the dissolution of the County in 1996. Upon passage of the bill, the care and control of said properties shall be transferred to the Conservation Commission.

Master Plan Committee Recommendation: The MPC recommends this Article. DCAM is the state agency in charge of developing state facilities. Environmentally sensitive parcels should be protected and/or be in the care, custody and control of an agency whose mission is environmental protection.

The Finance Committee deferred to the Planning Board. The Planning Board recommended adoption of the article, and their motion was seconded from the floor. The Master Plan Committee also recommended Article 30, and it was adopted on a unanimous voice vote.

Article 31: On petition of the Board of Selectmen to see if the Town will vote to accept Ross Lane as a Town Street as laid out by the Board of Selectmen under Massachusetts General Laws, Chapter 82, Section 22, and in compliance with the Planning Board's Subdivision Rules and Regulations for new streets.

The Finance Committee deferred to the Planning Board. The Planning Board did not recommend that Ross Lane be accepted. After the motion for acceptance was made and seconded from the floor, there was a very brief discussion, and the motion did not prevail.

Article 32: On petition of the Board of Selectmen to see if the Town will vote to accept Warren Drive as a Town Street as laid out by the Board of Selectmen under Massachusetts General Laws, Chapter 82, Section 22, and in compliance with the Planning Board's Subdivision Rules and Regulations for new streets.

The Finance Committee deferred to the Planning Board. The Planning Board did not recommend acceptance of Warren Drive, and no action was taken on Article 32.

Article 33: On petition of the Board of Selectmen to see if the Town will vote to raise and appropriate a sum of money to pay an outstanding street light bill to the Light Department in consideration of the recent vote of the MELD Commissioners to increase the annual in-lieu-of tax payment to the Town, and to take any other action related thereto; and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Finance Committee recommended that Article 33 be adopted and that \$143,825 be taken from Free Cash to pay this bill. The Meeting voted unanimously to do so.

Article 34: On petition of the Electric Light Commissioners to see if the Town will vote to accept a sum of money from the earnings of the Electric Light Department, said sum to be used for the reduction of taxes.

On the recommendation of the Finance Committee, the Meeting voted unanimously to accept a \$200,000 payment in lieu of taxes from the Electric Light Department to be used for the reduction of taxes.

Article 35: On petition of the Electric Light Commissioners to see if the Town will vote to authorize the appropriation of all income of the Municipal Light Department, the whole to be expended by the Manager thereof under the direction and control of the Commissioners, for the expenses of the Department for the Fiscal Year as defined in Section 57 of Chapter 164 of the General Laws of the Commonwealth, and the excess to be transferred to the Depreciation Fund of said Department to be used as the Commissioners may direct hereto.

The Finance Committee recommended adoption of Article 35 as written, and it was so voted unanimously.

Article 36: On petition of the Board of Selectmen and Conservation Commission to see if the Town will vote to amend the vote of the Annual Town Meeting on May 8, 2012 which adopted Article 28 to appropriate funds to purchase an 18.7 acre parcel from the J&E Family Trust to be utilized for agricultural, open space and passive recreational purposes and administered under the care and control of the Conservation Commission authorizing the application of grant funds from the Commonwealth's Executive Office of Environmental Affairs Land Grant Program to offset the costs of this purchase by adding the words, "under the provisions of Massachusetts General Laws, Chapter 132A, Section 11" to the approved article after the word "Program"; and to authorize the assignment of deed and conservation restrictions for the management of the following parcels of land, previously acquired by the Town through Community Preservation Act funds consistent with the provisions of Massachusetts General Laws Chapter 44B, Section 12.

1. Land acquired to expand the open space of the Town Center formerly known as the Lois Lane property, and otherwise identified as Assessors Map 25, Lot 74.
2. Land acquired to expand the open space of the Town Common formerly known as the Hagen property, and otherwise identified as Assessors Map 25, Lot 118.

And to take any action related thereto.

Purpose: The purpose of this article is to amend the vote of the Annual Town Meeting of May 8, 2012 in Article 28 to add the words, "under the provisions of Massachusetts General Laws, Chapter 132A, Section 11" to comply with the terms and conditions of the EOEALAND Grant Program and obtain \$56,000 in State grant funds to offset the purchase of this property. In order to receive the grant reimbursement, the Commonwealth is also requiring that deed restrictions be placed on the former Lois Lane and Hagan properties funded via Community Preservation Act funding to ensure that these land parcels are used for their intended use as open space and parkland.

Master Plan Committee Recommendation: The MPC recommends this Article. By approving this article the Town will be able to receive a \$56,000 state grant.

The Finance Committee recommended the article as written, explaining that this will save the Town about \$56,000. The Master Plan Committee also recommended this article, and the Meeting voted to approve it unanimously.

Article 37: On petition of the Board of Selectmen to see if the Town will vote to transfer a sum of money to be taken from Free Cash to apply to and reduce the Fiscal Year 2014 Tax Rate.

As recommended by the Finance Committee, it was unanimously voted to transfer \$300,000 from Free Cash to apply to and reduce the Fiscal Year 2014 Tax Rate.

Article 38: On petition of the Board of Selectmen and Finance Committee to see if the Town will vote to appropriate a sum of money to the Stabilization Fund, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing or by any combination thereof.

The Finance Committee recommended that \$150,000 be appropriated from Free Cash to the Stabilization Fund, and the vote to do so was unanimous.

Article 39: On petition of the Board of Selectmen to see if the Town will vote to appropriate a sum of money to the Other Post Employment Benefits Liability Irrevocable Trust Fund, and to see if such funds will be raised by taxation; by transfer from available funds, by borrowing, or by any combination thereof.

On the recommendation of the Finance Committee, the vote to appropriate \$50,000 from Free Cash to the Other Post Employment Benefits Liability Irrevocable Trust Fund was unanimous.

All the articles on the Warrant having been dealt with, at 9:35 pm the Moderator called for a motion to dissolve the Meeting. It was so moved and seconded from the floor, and the motion carried unanimously.

Attest, a True Copy,
Sarah B. George
Town Clerk

Board of Assessors

The mission of the Board of Assessors and staff is to value Real and Personal Property in accordance with the laws of the Commonwealth of Massachusetts, administer exemption, abatement, and excise programs and assist taxpayers, as well as other town departments, in a courteous, innovative and fiscally responsible manner.

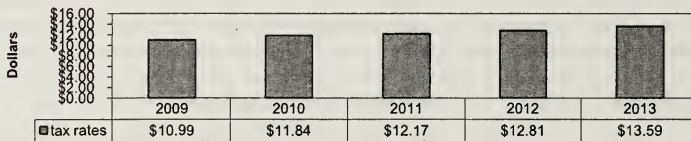
Annual elections were held and Patricia A. Ohlson was re-elected.

The Assessors completed an interim adjustment of values in accordance with the Department of Revenue guidelines.

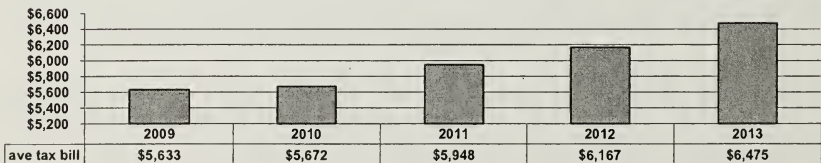
The town website was upgraded this year and now includes WebPro for online assessment information and assessors maps. The town website can be found at: www.townofmiddleton.org

The following charts show various trends and valuation information:

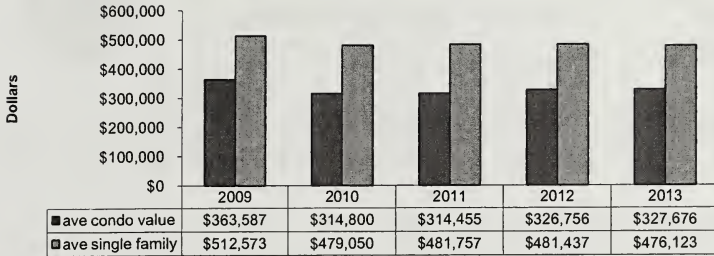
Tax Rates



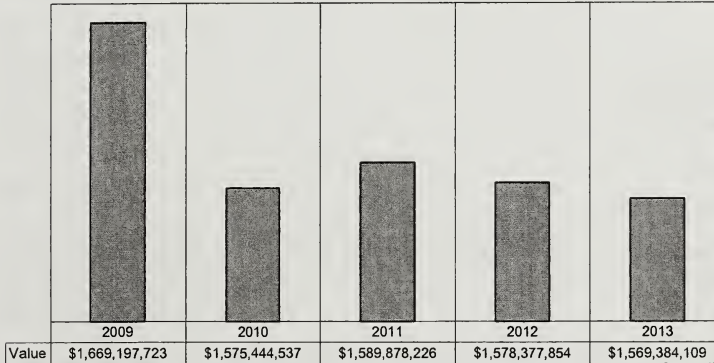
Average Single Family Tax Bill



Average Single Family and Condominium Value



Total Taxable Valuation



Property Type or Class	Parcel Count
Property Class Breakdown	2012
Single Family	1973
Condominiums	795
Misc Residential	15
Two Family	72
Three Family	6
4-8 Units	11
Vacant Land	328
Commercial	138
Industrial	64
Chapter 61	7
Chapter 61A	15
Chapter 61B	3
Mixed Use Property	39
Personal Property	261
Total Taxable Parcels	3727

Valuation Breakdown by Class

2013 Class	Value	Percent	Revenue
Residential	\$ 1,298,546,821	83.829%	\$ 17,647,251.30
Commercial	\$ 169,439,889	11.290%	\$ 2,302,688.09
Industrial	\$ 57,347,800	3.336%	\$ 779,356.60
Personal Property	\$ 44,049,599	1.544%	\$ 598,634.05
Total	\$ 1,569,384,109	100.00%	\$ 21,327,930.04
<i>Exempt</i>	<i>\$ 151,064,500</i>		

The Board of Assessors and staff are dedicated to maintaining values, realizing potential new tax base growth, upgrading with modern technology, maintaining and advancement of assessing education and assisting taxpayers as well as other departments.

Board of Assessors:

Kosta E. Prentakis M.A.A.
Deborah J. Carbone M.A.A.
Patricia A. Ohlson M.A.A.

Assistant Assessor:

Bradford W. Swanson M.A.A.

Administrative Assessor:

Michelle Branciforte

Part-Time Clerk:

Toula Guarino



Middleton Board of Health

July 1, 2013 - June 30, 2014



The Middleton Board of Health is a five-member board appointed by the Board of Selectmen. The Board meets the first Wednesday of the odd number months within the calendar year, at the Flint Library, Beverly Hospital Meeting Room at 7 p.m.

The mission of the Board of Health is to improve public health through promoting an individual's well-being, preventing disease through developing and implementing effective health policies, regulations, and programs that protect of an individual's health within the community.

The Board of Health Members:

Robert Ambrefe, Chairman
George Demeritt
John Goodwin
Matthew Greenfield
Paul LeBlanc

Health Department Staff:

Derek Fullerton, RS/REHS, CHO, CEHT; Director of Public Health
Traci Mello, RN; Public Health Nurse
Reid Wilson, Animal Control Officer
Patricia Zingarelli, Department Clerk

The Middleton Board of Health and Health Department work to support the 10 essential functions of public health as outlined:

- 1) Monitor health status to identify community health problems.
- 2) Diagnose and investigate health problems and health hazards in the community.
- 3) Inform, educate, and empower people about health issues.
- 4) Mobilize community partnerships to identify and solve health problems.
- 5) Develop policies and plans that support individual and community health efforts.
- 6) Enforce laws and regulations that protect health and ensure safety.
- 7) Link people to needed personal health services and assure the provision of health care when otherwise unavailable.
- 8) Assure a competent public health and personal healthcare workforce.
- 9) Evaluate effectiveness, accessibility, and quality of personal and population-based health services.
- 10) Research for new insights and innovative solutions to health problems.

Local boards of health and health departments carry significant mandates under state laws and regulations to protect and promote the health of our population above and beyond the programs and services that are created and implemented within the community to improve public health. They include a complex set of responsibilities including enforcement of state sanitary, environmental, housing, and health codes. These include, but are not limited to:

- Protection of the food supply through inspections of restaurants and other food establishments;
- Inspections and permitting of septic systems, domestic wells, landfills, and other solid waste facilities;
- Health care and disease control, including timely reporting and response to communicable diseases, occupational health and safety violations, food poisoning, and rabies;
- Inspections of public and semi public pools, beaches, camps, motels, and tanning establishments;
- Enforcement of state lead poisoning regulations and sanitary codes in housing;
- Enforcing no-smoking laws, complaints and violations;
- A wide array of other responsibilities, including issuing burial permits, regulating pesticides, inspecting body art establishments, issuing health reports, and more.

HIGHLIGHTS:

***Efforts to reduce youth access to tobacco**

The Middleton Board of Health updated their local tobacco regulations to assist in the national effort to reduce youth access to tobacco. Regulations changes included, but not limited to, prohibiting the sale of tobacco products in health care institutions (including pharmacies), prohibiting the sale of single cigars less than \$2.50, prohibiting smoking bars (i.e. hookah lounges), and prohibiting the sale of electronic cigarettes to individuals under the age of 18. Collaborated with HCTCP for conducting routine compliance inspections throughout the year to identify tobacco sales to minors from permit holders in Middleton

***Promotion of access to healthier foods**

The Public Health Director continued to serve as the public health liaison to the farmers market within the community in order to support and promote access to healthier foods within the community for awareness on nutrition and to reduce obesity and associated health risks and reduce health disparities. Respectively, the health department acquired a grant to implement the Supplemental Nutritional Assistance Program (SNAP) benefits into the Farmers' Market to help bridge health disparities between low income families and access to healthy affordable food.

***Nutrition/Food Education:** The Middleton Health Department educated the preschool children within the Howe Manning School classrooms and to the public at local events (i.e. Farmers Market) about the five food groups that are the building blocks for a healthy diet using a familiar image—a place setting (a meal plate). Education involved interaction with toddlers and adolescents and their caregivers about promoting healthy food choices and portion sizes. Upon completion of the education, each child was provided a reusable healthy portion plate to use at home.

***Disease Prevention: Flu and Shingles Vaccinations**

The Public Health Nurse (PHN) coordinated and conducted shingles vaccinations to eligible individuals over the age of 65, at no cost to the individuals. Limited vaccine was provided to Middleton through a special program offered by the Massachusetts Department of Public Health. Shingles is a painful localized skin rash often with blisters that is caused by the varicella zoster virus (VZV), the same virus that causes chickenpox. Additionally, the PHN held multiple influenza (flu) clinics throughout the flu season.

***Rail Trail Planning: (Middleton in Motion: Moving towards better health in our community)**

The Middleton Rail Trail Advisory Committee that includes the Public Health Director, continued planning on the development of the former Essex railway in Middleton into a pedestrian trailway in order to plan and promote safer areas and opportunities to increase physical activity within the community. Currently, the MRTAC has requested the Town of Middleton Selectmen to place a town warrant article for vote at the 2014 Annual Town Meeting to construct phase 1 of the trail (1.4 mile section from Maple Street to Essex Street).

***Social Media Awareness**

In order to increase awareness and promotion, the Middleton Health Department developed social media accounts to increase communication with the public. Facebook and Twitter profiles were developed and activated and can be used for normal public health awareness and notifications during public health emergency events if warranted.

***Sharps disposal and medication disposal**

The Health Department collaborated with Police and Fire Department to implement permanent locations within the community to accept and properly dispose of sharps (i.e. used needles) and medications (non-liquid). The medication kiosk is located within the foyer of the Middleton Police Dept and the Sharps receptacle is located with the front office at the Middleton Health Dept.

***Mosquito Control**

Participated in the Northeast Massachusetts Mosquito Control Program, which included services for applications of larvicide to town catch basins and freshwater breeding habitats. Monitoring and surveillance for West Nile Virus through trapping and identification of mosquito populations.

***North Shore Regional Elder Assistance Coordinating Team (REACT)**

The Health Director continues to participate in a planning group facilitated by North Shore Elder Services for dealing with issues such as elder abuse and mental health.

***North Shore Hoarding Task Force**

The Health Director continues to participate in a hoarding task force that was formed by North Shore Elder Services to strategically prepare and plan for hoarding issues within dwellings.

***Tri-Town Substance Abuse Reduction Coalition**

The Health Director continues to serve on this coalition that is focused on achieving a measurable reduction in youth drug and alcohol use by establishing an environment in which youth of all ages are encouraged and choose to be substance free.

***Emergency Preparedness**

The Health Department continues to plan and prepare for public health emergencies, such as disease outbreaks, biological and chemical disasters, and natural disasters. The Middleton Health Department belongs to the Region 3A Public Health Preparedness Coalition along with 13 other surrounding communities. Middleton's Health Director is the Chair of this coalition. Additionally, Middleton belongs to the Topsfield Regional Medical Reserve Corp which accounts for over 200 volunteers willing to assist in emergency response efforts.

Licenses, Permits, & Services for FY2014: July 1, 2013 – June 30, 2014

Food Service Permits	68	Soil Testing/Perc Testing	40
Installers Permits	32	Domestic Well Permits	5
Haulers/Pumpers	19	Water Bottling Plant	1
Tanning Salons	1	Swine Permits	1
Camp Licenses	2	Hotel/Motel Licenses	2
Pool/Spa Permits	15	Burial Certificates	13
Tobacco Permits	13	Body Modification Salons/Technicians	2
Title V Inspector Licenses	16	Bathing Beach (Thunderbridge) Samples	14
Septic System Installation/Repair Permits	32	Frozen Dessert	4

Conservation Commission

The primary responsibility of the Middleton Conservation Commission is to administer regulations associated with the Massachusetts Wetlands Protection Act. These regulations require the review of any construction, grading, clearing or other alterations proposed within 100 feet of bordering vegetated wetlands, intermittent streams or ponds, within 200 feet of rivers, and within areas subject to flooding. Projects are permitted to proceed provided that the following public values and functions of wetlands are protected:

- protection of public and private water supply,
- protection of groundwater supply,
- flood control,
- storm damage prevention,
- prevention of pollution,
- protection of land containing shellfish,
- protection of fisheries and
- protection of wildlife habitat.

The five member Commission, appointed by the Board of Selectmen, meets on the first Tuesday of every month at 7pm at the Flint Public Library, and all current members have at least two years of experience on the Commission.

Ancillary functions of the Conservation Commission include protecting natural resources through the implementation of the Middleton Open Space and Recreation Plan, preserving land and water

resources, managing conservation land, encouraging passive recreational use of public open space, and coordinating with other town boards and local conservation groups to work on mutual issues involving natural resources.

Major accomplishments during FY 2013 included the completion of an updated Open Space and Recreation Plan; assisting in the writing and review of a proposed Stormwater Bylaw and associated regulations; assisting in the inventory of over 100 acres of former Essex County conservation lands, with the goal of facilitating the transfer of these parcels to the Town of Middleton or a state conservation agency; the certification of ten new vernal pools, using an escrow fund established as mitigation for development impacts to endangered species habitat; advocating for the preservation of mature trees at the location of a proposed DYS facility on Gregory Street; and assisting in the acquisition of 121 East Street by the Town of Middleton for use as conservation land.

Although, home construction has been slow regionally since 2008, new homes continue to be developed at a steady pace in Middleton. This year a large 55-lot subdivision was reviewed at the location of the former JCC Camp Simcha, off East Street, adjacent to the Ipswich River. Over the course of the approval process, the developer agreed to protect the majority of the land within 200 feet of the Ipswich River, through a Conservation Restriction and the creation of an Open Space parcel that will be transferred to a land trust. This stretch of conservation land will link to adjacent conservation strips associated with developments to the north and south, and will permanently preserve a continuous stretch of undeveloped land along the Ipswich River stretching more than a mile south from the canoe landing at Peabody Street.

The Conservation Commission appreciates the support and assistance that the Middleton Stream Team, the Ipswich River Watershed Association, and conservation-minded citizens provide to encourage residents to protect and enjoy the natural resources of Middleton. On March 1st, 2014 members of the Middleton Conservation Commission were in attendance at the Massachusetts Association of Conservation Commissioners' Conference to witness the presentation of the 2014 Environmental Service Award for Outstanding Conservation Leadership and Education to Pike Messenger, Middleton Stream Team member and former Middleton Conservation Agent. This honor was well-deserved.

Wetland Protection Act permitting was accomplished during 12 public meetings in FY13, and included the following applications:

- 24 Notices of Intent
- 17 Requests for Certificates of Compliance
- 7 Requests for Determinations of Applicability
- 4 Enforcement Orders
- 3 Amended Orders of Conditions
- 2 Abbreviated Notices of Resource Area Delineation

In addition to ongoing permitting responsibilities, the Conservation Commission endeavors to focus on these additional issues during FY14:

- Progress the goals and objectives contained in the 2013 Middleton Open Space and Recreation Plan by accomplishing the tasks outlined in the Action Plan.

- Provide support in the form of data collection, technical assistance and/or other services to facilitate the acquisition of the Middleton DCAMM (former Essex County) parcels by the Town or a conservation agency.
- Establishment of annual funding to implement land management measures on conservation properties in Middleton. These measures would be at the discretion of the Conservation Commission and could include, but not be limited to, the maintenance of canoe landings, periodic mowing of existing fields to retain meadow habitat, and maintenance and establishment of access and trails on conservation properties.
- Assist in the finalization, adoption and implementation of Stormwater and Illicit Discharge Bylaw regulations provided that these Bylaws are adopted at the 2014 Annual Town Meeting.
- Explore the possibility of a limited local Wetlands Protection Bylaw to codify the existing wetland setback policy and to provide a means for more effectively addressing wetland violations.

Middleton is fortunate to have a diversity of natural ecosystems and conservation lands. The Middleton Conservation Commission will continue to protect and advocate for the Town's wetlands and other natural resources in FY 14.

Respectfully Submitted,

Middleton Conservation Commission

Thomas Skinner, Chairman

Ian McKenzie

Antonio Pesce

Roger Talbot

Michael Sliney

Judith Schmitz, Conservation Agent

Patricia Zingarelli, Department Clerk

Mary Jane Morrin, Recording Secretary

Planning Board

DESCRIPTION

The Planning Board consists of five elected members: Chairman Bob Aldenberg, Beverly Popielski, Christine Lindberg, David Leary, and John Knott. In 2013, the Town approved the new position of Planning Coordinator that was subsequently filled by Katrina O'Leary. O'Leary will be assisting the Planning Board with the execution of their duties under Massachusetts General Laws, chapters 40A and 41. The Planning Board's administrative assistant is Karen Matsubara.

The Planning Board reviews Approval Not Required Plans under MGL c41§81L&P, Preliminary and Definitive Subdivision plans under MGL c41 §81K to 81GG and the Subdivision rules and Regulations, and reviews all Site Plan Review applications submitted to the Zoning Board of Appeals. The board is also the special permit granting authority for Flexible Residential development and Multi-family developments. In addition, the board makes recommendations on proposed zoning bylaw amendments for Town Meeting consideration.

2013 PLANNING BOARD ACTIONS

- 13 Approval Not Required Plans: 11 approved, 1 denied, 1 withdrawn
- 2 approved Definitive Subdivision Plans: 54 lots were approved as a part of Ridgewood Estates (part of former Jewish Community Center on East Street) and 4 new lots were created at the former 64 East Street - now known as Ohlson Lane.
- 1 Definitive Plan Modification: approved
- 1 Special Permit for Two family: approved
- 1 Road Improvement Plan: 1 denied
- 18 ZBA recommendations: 17 positive, 1 no action taken
- 14 Zoning Amendment recommendations: 13 positive, 1 no action taken
- 1 Warrant Article recommendation: 4 positive, 2 negative

Zoning Board of Appeals

DESCRIPTION

The Zoning Board of Appeals consists of five members and two alternates: Chairman Barbara Piselli, Clerk Anne Tragert Cote, Craig Hartwell, James E. Fox, Nicholas Yebba, and alternates Richard Nazzaro and Anne LeBlanc-Snyder. New Planning Coordinator Katrina O'Leary will assist the Board of Appeals with their review of new applications. Karen Matsubara is the Board of Appeal's administrative assistant.

The board is a quasi-judicial body established under MGL c40A§12, and Section 9.3 of Chapter 235 (Zoning) of the Town Code. The board has the following duties and powers: (1) to be the "permit granting authority" under MGL c40A§1, (2) to hear and decide appeals in accordance with MGL c40A§8, (3) to hear and decide application for special permits upon which the board is empowered to act under the zoning bylaws, and (4) to hear and decide petitions for variances as set forth in MGL c40A §10. In Middleton, the Zoning Board of Appeals is the special permit granting authority for most non-residential uses, and as such, is responsible for reviewing all required site plans.

2013 ZONING BOARD OF APPEALS ACTIONS

- 16 Special permits: 14 approved, 2 withdrawn
- 1 Special permit modification: approved
- 1 Dimensional Variance: approved
- 1 Use Variance: approved
- 1 Appeal: no action taken
- 3 Site Plans: 3 approved
- 10 Site Plan Modifications: 8 approved, 2 withdrawn

SCHOOL COMMITTEE

Tasha Cooper, Chair	Member since 2010
Amy Karas	Member since 2013
Daniel Michaud	Member since 2012
Mark Moreschi	Member since 2013
Lisa Saxonis	Member since 2012

Special Achievement: Two Years of Level One School and District Accountability Status

Through the dedication and efforts of our children, families, teachers and staff and the commitment of our community the Middleton Elementary Schools maintained our Level One Status under the Massachusetts School and District Accountability System. The Massachusetts Department of Elementary and Secondary Education (DESE) recognized the success of our students via the MCAS assessment test. The Level One designation demonstrates that students performed well on the test, attendance in schools was exceptional, and the percentage of growth with all the students was above average. Our Level I status for the past two years places our schools in the top 10% of school districts in Massachusetts.

Accomplishments of Note in 2013 and 2014

New three-year contract with the Middleton Educators' Association: In August, the School Committee and Middleton Educators' Association concluded their negotiations and signed a three-year contract, ensuring a smooth continuation of teaching services for the start of the 2013-14 school year.

Massachusetts Educator Evaluation Model: The district began phasing in a new Educator Evaluation Model that has been mandated by the Massachusetts Department of Elementary and Secondary Education. While the new model places a higher administrative burden on both educators and administrators, the School Committee remains hopeful that it will result in a higher quality educational experience for our students. Approximately half of our DESE licensed educators and all administrators have begun the educational evaluation process. This model is one which requires more frequent unannounced observations and for educators to contribute heavily to collecting and providing evidence of their progress towards meeting multiple state-established standards of performance, and professional practice and student learning goals. The research behind this approach indicates that the more involved educators are in their professional growth the greater the student achievement; it also supports a collaborative approach to teaching and learning, not only amongst educators, but also with parents. We expect to have more information about the implementation of this evaluation model in subsequent years.

Mathematics Curriculum Update: The Math in Focus program successfully completed its first year in both elementary schools in the fall. Now in its second year, staff and students have adapted well to the program and a positive improvement was demonstrated on the MCAS. Training and Professional Development for staff will continue into the 2015 school year.

Standards-Based Report Card: A standards-based report card was piloted during the 2012-2013 school year. It was designed to align with the new Massachusetts standards for Mathematics and English Language Arts. In addition, the Personal and Social Development and the Special Subject Area sections were redesigned to provide consistency across the six Tri-Town Schools. Feedback was gathered from stakeholders at various intervals throughout the year. Based on the feedback received, edits and revisions were made and incorporated into the version currently being used during the 2013-2014 school year. Further revisions will be made when Massachusetts makes revisions to the standards in the areas of Science and Social Studies.

DESE - Coordinated Program Review: Once every six years, the Department of Elementary and Secondary Education is required to conduct an in depth review of every school district in their program implementation and compliance with key regulations; for Middleton, this monitoring review took place in October of 2013. The Coordinated Program Review focused on our district's implementation of Special Education, Civil Rights, and Title I, and English Language Learner Education programs. The review involved hundreds of hours of document preparation and submission to the DESE, student record reviews, and interviews of staff, administrators, and parents (both through surveys and face to face interviews.) We expect a final written report by June, 2014, which will be posted on the school district's website.

Central Office Reorganization: The 2013-2014 school year marks the twentieth of Middleton's membership in the Tri-Town School Union with Boxford and Topsfield. The three towns maintain their commitment to working together, particularly in the new era of school accountability. We continue to work toward strengthening the current collaborative framework to promote further efficiencies in the five areas for continued development and alignment between the three towns. In the judgment of the School Committee, Middleton's membership in the Tri-Town Union continues to benefit students, teachers, and the community. With the start of the 2013-14 school year, the leadership structure of the Tri-Town School Union, known as Central Office, changed with the transition of the role of Special Education Director to an Assistant Superintendent of Student Services, and the role of Director of Finance to an Assistant Superintendent of Operations. Both Sharon Lyons and Steven Greenberg have transitioned smoothly from their previous roles into these expanded roles. This reorganization was the culmination of a multi-year study and examination of how our central office staff can best support the teaching and learning of our staff and students. This reorganization is intended to better and more cohesively address and support important school programs and functions that have emerged and evolved over the past ten years.

New TTU website: By the start of the 2013-14 school year, the Tri-Town School Union and all of its member schools changed over to a new website that is intended to simplify access and improve the maintenance of content and communications with the public. The new website address is www.tritownschoolunion.com.

Health and Wellness Committee: The Health and Wellness Committee conducted its third annual "Middleton Get Moving Night" in November. The Building Our Kids Success (BOKS) before school fitness program entered its second year at Howe Manning and will be piloted at Fuller Meadow this spring. The Fuller Meadow garden yielded a bumper crop in its second season and the raised beds adjacent to Howe Manning have all been sponsored and tended by classes at Howe Manning. The

“Tasty Tuesdays” at Fuller Meadow continue to be enthusiastically embraced by students. The first Family Cooking Night was held at Howe Manning.

Fuller Meadow School Swings Replacement: New swings have been added to the Fuller Meadow Playground. The additional swings were funded by a Warrant Article approved at the 2013 Annual Town Meeting.

Telephone System Replacement at Fuller Meadow: In recent years, the 1990s era telephone system has needed an increasing amount of repair. Since replacement parts have not been manufactured for several years, the cost and effort required to maintain the system in serviceable condition outweighed the advantages of replacing the system with a current-generation VoIP telephone system. The new system installation completed in December provides direct access from all teaching stations to emergency communications and has enhanced our capacity to deliver a more effective internal and home-school communication.

Technology and Digital Learning: We are continuing to move forward with updates and replacement of digital learning tools and equipment at Fuller Meadow and Howe Manning. The replacement of six-eight year old teaching stations at Howe Manning and eight year old “interactive white boards” at Fuller Meadow is planned for FY2015.

Staff Anniversaries

Ann Montani was recognized for thirty-five years of service to our schools. Jennifer Fuller and Marie Pelletier were honored for thirty years of service and Tynne Sweeney was recognized for twenty-five years of service. A twenty year pin was presented to Ellen Best. Fifteen year pins were presented to Barbara Mortalo, Marie Perkins and Beth Wills. Ten year pins were presented to Dian Anderson, Lorna Hood, Katie Provost and Walter Huston. Five-year service pins were presented to Ellen Canney, Dierdre Baker, Catherine Nasser, Thomas Sawchuck and Alexandra Thomson.

In May, 2013, Mindy Wogan completed three years of service on the School Committee and School Building Committee. She served as Chair of the school committee for 2 of those 3 years. Mark Moreschi and Amy Karas were elected to three year terms on the School Committee.

Massachusetts Comprehensive Assessment System (MCAS) and School District Accountability System

Educational Reform in Massachusetts is now in its twentieth year. The revamped School District Accountability System is in its second year of implementation by the Department of Elementary and Secondary Education (DESE). The Middleton School Committee’s goal is to increase the number and percentage of our students achieving at the Advanced and Proficiency Levels in each grade and in each subject tested year over year. The Department of Education has rated each school district and school in terms of its performance and improvement over the past two years. Detailed information about the new Progress and Performance Index (PPI), including our designation as a Level 1 District under the federal Elementary and Secondary Education Act (ESEA) can be found on the Massachusetts Department of Elementary and Secondary Education web site, which can be accessed directly at:

http://profiles.doe.mass.edu/mcas/achievement_level.aspx?linkid=32&orgcode=01840000&orgtypecode=5&

Our students continue to perform well on MCAS tests. It is anticipated that new curricula may be needed over the next several years to allow our students to keep pace with changes made to the MCAS resulting from the state's Common Core Standards. A complete School and District Report Card published by the Massachusetts Department of Elementary and Secondary Education for Middleton can be found on our district web page at:

<http://www.tritownschoolunion.com/howe-manning/news/nclbesea-school-district-report-card>

In addition, two classes of fourth grade students participated in the Partnership for Assessment of Readiness for College and Careers (PARCC) field test pilot of the next generation of assessment during the spring of 2014. A full transition to the PARCC assessment program will be considered by the State Board of Education for implementation in 2015-2016.

Curriculum and Program Development

The Middleton Elementary Schools maintains a website that contains detailed information about our ongoing initiatives in curriculum, instruction and professional development. These web-based resources can be located at:

<http://www.tritownschoolunion.com/district/curriculum-0>.

SCHOOL ENROLLMENT OCTOBER 1, 2013

(District Total = 781)

	PK	K	1	2	3	4	5	6	Total
Fuller Meadow School (K-2)		95	78	96					269
Howe Manning School (PK, 3-6)	68				100	93	128	116	468
Total K-6									706
Total PK-6									774

SCHOOL BUDGET HISTORY FY2012 to FY2015:

	FY12	FY13	FY14	FY15
	Approved	Approved	Approved	Proposed
<u>Budget Expense Summary</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Total Salaries	6,586,068	6,686,930	6,856,193	7,237,950
Total Supplies/Materials/Textbooks	250,459	278,840	439,666	424,888
Total Equipment	48,469	45,301	59,953	54,712
Total Prof. Dev. (Mem./Work./Conf.)	79,057	103,450	112,961	143,958
Total Special Education (Tuitions & Services)	555,233	444,509	421,748	505,513
Total Transportation	527,920	461,089	431,819	419,596
Insurance	1,151,958	1,147,551	1,209,020	1,239,911
Utilities	276,305	302,126	280,411	271,891
Facilities	204,065	235,727	232,533	230,126
Total Operating Budget	<u>9,679,533</u>	<u>9,705,523</u>	<u>10,044,305</u>	<u>10,528,545</u>
Less: Offsets	(897,212)	(581,785)	(646,065)	(633,141)
Total Town Appropriation	<u>8,782,321</u>	<u>9,123,738</u>	<u>9,398,240</u>	<u>9,895,404</u>

Closing Statement

The success of the Middleton Elementary schools is due to the excellent leadership provided by Dr. Creeden, and the hard work of our principals, teachers and staff. As parents and members of the school committee, we thank them for their dedication, hard work and continued efforts to provide our students with the best education possible.

Middleton’s elementary schools will continue to provide a high level of well-rounded education to the children of Middleton. This is accomplished through developing their academic minds while nurturing their social and physical well-being. Through careful budgetary management, Middleton schools provide a great value to the taxpayers of our town and our children will be fully prepared for the academic challenges ahead.

The Middleton School Committee appreciates the financial and strategic support and encouragement received from the community and other town boards as we continue our efforts to improve student achievement.

Respectfully Submitted,

- Tasha Cooper, Chairperson
- Lisa Saxonis, Vice Chairperson
- Amy Karas, Member
- Daniel Michaud, Member
- Mark Moreschi, Member

2012-2013 Masconomet Regional School District

The FY13 school year was filled with enthusiastic teaching and learning for our students and staff. Centered around the District goals to provide a challenging and supportive educational environment for all students that maximizes opportunities for intellectual, personal and physical development, builds character, promotes learning as a life-long pursuit and encourages individuals to become contributing community members, locally, nationally and globally, the school year began as we welcomed 2064 students to school and wound to a close as we graduated 303 seniors, including our first graduates to earn the innovative global competency diploma which focuses on learning about multicultural and international issues and developing attitudes and thinking skills about global issues.

The Tri-Town continued its commitment to providing a quality education for our students. Total expenditures for the 2012-2013 school year were \$28,133,116.00, an increase of 1.6% over the previous year. This translates to an annual per pupil expenditure of \$13,094, \$542 less than the state average of \$13,636. While the District continues to strive for cost savings where possible and prudent, there are limited new opportunities for savings. In late 2012, the District adopted the Health Care Reform Act of 2011 which allowed changes in health care coverage resulting in savings to the District. In addition, purchasing equipment at the end of the prior fiscal year that included the subsequent year of maintenance and energy conservation measures pursued through lighting retrofit projects have continued to result in additional savings as the District's consumption has declined. Those savings, however, were largely consumed by unanticipated expenses in the Pupil Personnel Service budget.

The District also made some important repairs to maintain the buildings and grounds. Repairs included replacing doorways to the link and gymnasium entryways, installing new commercial equipment in the main kitchen, the addition of three new surveillance cameras, repainting the dome shaped exterior portion of the field house, moving the Middle School teacher workroom to a larger area and reestablishing a new workroom/kitchen and recreating a new Title 1 room from the old teacher workroom in the Middle School.

Using multiple assessment tools such as MCAS at grades 7, 8, and 10, PSAT, SAT and Advanced Placement (AP) Exams, the District continues to be a high performing District. Offering 17 College Board Advance Placement courses, 260 students took 522 exams with 80% scoring a 3 or higher on a scale of 5. The District's graduation rate has always been high, this year, however the graduation rate was 100%, all students who began this year as seniors graduated with their class. The Class of 2013 is also beginning to make their way into the world with 95.7% of graduating seniors attending two or four year colleges, 1.3% going on to do post-graduate or other schooling, 1.0% entering employment, 0.7% entering the ranks of the military and 1.3% choosing other opportunities

Masconomet continues to shine in the arts. For the sixth year in a row, Masconomet students have received the greatest number of awards in the Boston Globe Scholastic Art competition of any school in the Commonwealth. This year, the Middle School had 25 students recognized for achievement with 2 Gold Key winners and the High School had 95 students recognized for achievement with 25 Gold Keys, 12 Silver Keys, 25 Honorable Mentions and 23 Gold Key Portfolio Nominees including one

for Best in Show for Drawing and one National Gold Medal in Photography. In addition, four Masconomet students received four Gold Keys in the Boston Globe Writing competition.

It was an exciting year for the High School Band and Chorus as they traveled to Barcelona, Spain and performed at eight different venues. Members of the band and chorus also excelled at the annual state music festivals with 13 High School and 15 Middle School musicians and singers receiving recognition in the district music festival and four High School students earning placement in the All-State Music Festival.

Masconomet continues to offer a wide offering of athletic, club and co-curricular activities. More than one-half of our students participate in one or more of these activities, many of these offerings run at capacity levels. Our sports teams had a banner year, winning conference championships in football, boys soccer, field hockey, golf, cheerleading, girls indoor track, girls outdoor track, boys tennis, girls tennis, boys lacrosse and girls lacrosse. Masconomet was also honored as the recipient of the Boston Globe's prestigious Dalton Award given to the school with enrollment over 1300 students with the highest winning percentage.

The Middle School celebrated a number of exciting achievements this year. Students participated in Governor Deval Patrick's Project 351 which recognizes quiet leaders and unsung heroes while emphasizing service, volunteerism and youth leadership. The math team was impressive participating in five meets and earning five wins. Middle School students participated in their first Future Cities Project at Northeastern University, one team winning the award for Best Communication.

The District successfully negotiated and ratified Master Agreements with four of the five district bargaining units. The Teachers, Multi Purpose Facility Technicians (MPFT), Administrators and Support Staff bargaining units all agreed to three year Collective Bargaining Agreement renewals.

A number of key staff retired this year including Kathleen Hillis, Linda Valaskatgis, Marie Foster, Alice Tierney, Cathy Graziano and Mary Ellen Kelleher. Also retiring are Terry Meinelt, who first taught and then lead our Art Department for 37 years and High School Principal Pamela Culver, who during her 16 years here, led Masconomet through many changes including the building renovation. We thank all our retirees for their years of service to the Masconomet Community.

The Committee acknowledges and thanks two School Committee members with terms ending in FY13: Rodney Pendleton of Middleton for 5 years of service and Tom Mathers of Boxford for 3 years of service to the District.

The Masconomet Regional School District is proud of its tradition of providing a quality educational experience for the students of Boxford, Middleton and Topsfield while being mindful of the financial situation of the communities of which we are comprised. While preparing students to leave Masco and to live and work in an increasingly complex, interconnected and competitive global society, we are challenged by an ever expanding body of information to learn and teach and the ever changing technology our students will be challenged to know, understand and use in order to succeed. We want our students to thrive when they leave us, be prepared to meet the goals they set for themselves and be prepared to meet the challenges that will inevitably come their way. The goal is for students to not only find gainful employment suited to their talents and interests, but also to live

their lives responsibly and ethically and to find both personal and professional meaning and happiness in their lives. Students do not achieve these goals alone, it takes a community of support and cooperation among students, parents, teachers, administrators, volunteers, school committee members and citizens. The School Committee thanks the Masconomet Community for the support it has provided in the past and respectfully requests the Community's continued support in the years to come.

Paula Lia Fitzsimmons, Chair
Masconomet Regional School Committee

Masconomet Regional School Committee Members

Boxford

Paula Lia Fitzsimmons--Chair
Ben Messenger
Kathleen Tyler
Daniel Volchok

Middleton

Teresa Buono
Matthew Cocciardi
Kosta Prentakis
Linda Richards—Vice Chair

Topsfield

Elizabeth Dierze
Larry Lindquist
John Spencer

Industrial & Commercial Design Review Board

The ICDC reviews industrial and business site plans mostly on Route 114 and Route 62.

This past year we reviewed:

206 South Main St (former Middleton Aerospace) 4 times
181 So Main St (corner of Park St) 2 times
156 South Main St. (Richardson's Ice Cream) sign
244 Maple St Goddard School
122-130 South Main St –Funeral Parlor—under construction
194 South Main-- MK addition
11 East St –Dental Office—corner of East and Maple St.

The committee is in need of an alternate member. If you would like to serve please submit your name to the Selectmen.

Sincerely,

Paul Richardson
Mike Watkin
Colin Kelly



Bill Fraher, CPA

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Financial Statements
and Required Supplementary Information

For the Year Ended December 31, 2012

(With Independent Auditor's Report Thereon)

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT
Financial Statements and Required Supplementary Information

Years Ended December 31, 2012
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Independent Auditor's Report

The Board of Light Commissioners
Town of Middleton, Massachusetts

Report on the Financial Statements

I have audited the accompanying financial statements of the Middleton Electric Light Department an enterprise fund of the Town of Middleton, Massachusetts, as of and for the year ended December 31, 2012, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of a material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



The Board of Light Commissioners
Town of Middleton, Massachusetts
Independent Auditor's Report

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Middleton Electric Light Department of the Town of Middleton, Massachusetts, as of December 31, 2012, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Auditing Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

As discussed in Note 1, the financial statements present only the Middleton Electric Light Department and do not purport to, and do not, present fairly the financial position of the Town of Middleton, Massachusetts as of December 31, 2012, and the changes in its financial position and its cash flows in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* I have also issued my report dated August 8, 2013 on my consideration of the Middleton Electric Light Department's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Middleton Electric Light Department's internal control over financial reporting and compliance.

Bill Fraher, CPA
August 8, 2013



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Light Commissioners
Town of Middleton, Massachusetts

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Middleton Electric Light Department (the Department), an enterprise fund of the Town of Middleton, Massachusetts, as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued my report thereon dated August 8, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Middleton Electric Light Department's internal control. Accordingly, I do not express an opinion on the effectiveness of the Middleton Electric Light Department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Department's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The Board of Light Commissioners
Town of Middleton, Massachusetts
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Middleton Electric Light Department's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported herein under Government Auditing Standards.

I noted certain matters that I reported to management and Board of the Middleton Electric Light Department in a separate letter dated August 8, 2013.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Bill Fraher, CPA
August 8, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the financial statements, the management of the Middleton Electric Light Department (the Department) provides a narrative discussion of the amounts that appear in the Department's Statement of Net Position, Statement of Revenues, Expense and Changes in Net Position and Statement of Cash Flows. This discussion is provided to present an overview of the Department's year end financial position for December 31, 2012 and the results of operations for the year then ended.

Overview of the Financial Statements

The Department's basic financial statements include the Statement of Net Position, Statement of Revenues, Expense and Changes in Net Position and Statement of Cash Flows. Notes follow these financial statements to present additional information on some of the amounts in the financial statements. Each of these statements is described below.

- As required by GASB, this year the Department implemented GASB Statement #63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. This statement provides guidance on reporting deferred outflows of resources, deferred inflows of resources and net position in the financial statements. The major impact for the Department was to change the terminology for “net assets” to “net position” in the accompanying financial statements.
- The Statement of Net Position is designated to indicate our financial position as of a specific point in time. At December 31, 2012, our net position is \$18,853,535, which is an increase of \$1,201,971 (6.8%) from the prior year amount of \$17,651,564 (last year's amount was originally \$17,915,278 but was restated as discussed below). Of the total net position at December 31, 2012, \$9.2 million is the net investment in capital assets, \$.2 million is restricted for future rate relief and \$9.5 million is unrestricted.
- The Statement of Revenues, Expenses and Changes in Net Position shows our operating results and reveals how much, if any, profit was made for the year. This statement shows a total increase in net position (net income) of \$1,201,971 for the year ended December 31, 2012, compared with a net income of \$143,864 for the year ended December 31, 2011. This difference was due mainly to a large decrease in purchased power costs due to favorable power market conditions.
- The Statement of Cash Flows provides information about the cash receipts and cash payments during the year. A review of our Statement of Cash Flows indicates that cash receipts from operating activities adequately cover our operating expenses.
- As discussed in Note 1 to the financial statements, the Department recorded a correction of a prior period error. The Department had been overbilling another municipal light department for power the Department provided to a small group of customers who reside in a neighboring Town. The result of this was to restate (reduce) beginning fund balance by \$263,714 and record a corresponding liability for the amount to be paid back in 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary financial information is presented below.

Summary of Net Position

	<u>2012</u>	<u>2011</u>
Current Assets	\$11,697,534	\$10,710,713
Noncurrent Assets	<u>9,172,549</u>	<u>8,704,611</u>
Total Assets	<u>20,870,083</u>	<u>19,415,324</u>
Current Liabilities	1,427,957	1,011,968
Noncurrent Liabilities	<u>588,591</u>	<u>488,078</u>
Total Liabilities	<u>2,016,548</u>	<u>1,500,046</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	9,172,549	8,704,611
Restricted	202,072	202,072
Unrestricted	<u>9,478,915</u>	<u>9,008,595</u>
Total Net Position	<u>\$18,853,535</u>	<u>\$17,915,278</u>

Larger charges are: 1) an increase in cash & investments due to net income; 2) an increase in capital assets due in part to a roof replacement project and purchase of a new vehicle; 3) an increase in other current liabilities due to the billing error (see footnote 1); and 4) increase in net assets due to net income.

Summary of Changes in Net Position

	<u>2012</u>	<u>2011</u>
Operating Revenues	\$13,842,558	\$13,710,243
Operating Expenses	<u>12,769,497</u>	<u>13,608,198</u>
Operating Income	1,073,061	102,045
Nonoperating Revenues (Expenses)	<u>128,910</u>	<u>41,819</u>
Changes in Net Position	1,201,971	143,864
Beginning Net Position, As Previously Reported	17,915,278	17,771,414
Correction of an error	<u>(263,714)</u>	-
Ending Net Position	<u>\$18,853,535</u>	<u>\$17,915,278</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights

Operating revenues increased from 2011 to 2012, totaling \$13,710,243 for 2011 and \$13,842,558 for 2012, an increase of 1%. Actual customer kilowatt hour sales to customers decreased approximately 1.2% from the prior year. The difference between the change in customer kilowatt hour sales and the change in total operating revenues is due mainly to an increase in the unbilled revenue accrual (compared to the change in 2011).

Operating expenses decreased from \$13,608,198 in 2011 to \$12,769,497 in 2012, a decrease of 6%. This decrease is due to a reduction in power costs due to favorable market factors. There were no other significant changes in expenses from the prior year.

Capital Assets & Debt Administration

Total net capital assets were \$8,704,611 at December 31, 2011 and \$9,172,549 at December 31, 2012, an increase of 5.4%. Capital assets include land, buildings, structures and improvements, equipment and furnishings and infrastructure. There were approximately \$1,000,000 in capital additions in 2012, the largest being a building roof project and the purchase of a new vehicle. Additions were more than depreciation for the year resulting in the increase in net capital assets.

The Department has no outstanding debt at December 31, 2012 nor was any debt outstanding during the year.

Requests For Information

This financial report is designed to provide a general overview of the Middleton Electric Light Department's finances for all those interested in the Department's financial operations. Questions concerning any of the information in this report or requests for additional financial information should be addressed to:

Manager
Middleton Electric Light Department
Middleton, MA 01834

Middleton Electric Light Department

Statement of Net Position

December 31, 2012

Assets

Current assets:

Cash and cash equivalents - unrestricted	\$	1,499,586
Cash and cash equivalents - restricted		152,355
Investments		7,158,852
User charges receivable, net		1,579,488
Other accounts receivable		92,182
Unbilled revenue		185,853
Inventory		420,991
Prepaid expenses		458,077
Other current assets		150,150

Total current assets 11,697,534

Noncurrent assets:

Capital assets, net 9,172,549

Total noncurrent assets 9,172,549

Total assets \$ 20,870,083

Liabilities

Current Liabilities:

Accounts payable	\$	657,103
Customer deposits		152,354
Other current liabilities		618,500

Total current liabilities 1,427,957

Noncurrent liabilities:

Accrued compensated absences		55,898
Other post-employment benefits		532,693

Total noncurrent liabilities 588,591

Total liabilities 2,016,548

Net Position

Net investment in capital assets		9,172,549
Restricted		202,071
Unrestricted		9,478,915

Total net position \$ 18,853,535

The notes to the financial statements are an integral part of this statement.

Middleton Electric Light Department

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31, 2012

Operating revenues:	
Charges for services	\$ 13,566,088
Other operating revenues	<u>276,470</u>
Total operating revenues	<u>13,842,558</u>
Operating expenditures:	
Purchased power and production	10,063,724
Other operating expenses	2,155,059
Depreciation	<u>550,714</u>
Total operating expenditures	<u>12,769,497</u>
Operating income	<u>1,073,061</u>
Nonoperating revenues (expenses):	
Interest income	225,910
Payment in lieu of taxes	<u>(97,000)</u>
Total nonoperating revenues (expenses)	<u>128,910</u>
Changes in net position	1,201,971
Net position, beginning of year, as previously reported	17,915,278
Correction of an error - adjustment due to prior year overbilling - sale for resale	<u>(263,714)</u>
Net position, beginning of year, as restated	<u>17,651,564</u>
Net position, end of year	\$ <u><u>18,853,535</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Statement of Cash Flows

Year Ended December 31, 2012

Cash flows from operating activities:	
Cash received from customers	\$ 13,544,957
Cash paid to suppliers	(10,477,271)
Cash paid to employees	(1,265,845)
Payment in lieu of taxes (operating transfer)	<u>(97,000)</u>
Net cash provided by operating activities	<u>1,704,841</u>
Cash flows from investing activities:	
Interest on deposits and investments	225,910
Purchase and sales of investments (net)	<u>(4,937,090)</u>
Net cash provided by capital and related financing activities:	<u>(4,711,180)</u>
Cash flows from capital and related financing activities:	
Capital expenditures	<u>(1,018,652)</u>
Net cash provided by capital and related financing activities:	<u>(1,018,652)</u>
Net increase in cash and cash equivalents	(4,024,991)
Cash and cash equivalents, beginning of year	<u>5,676,932</u>
Cash and cash equivalents, end of year	<u>\$ 1,651,941</u>

Reconciliation of operating income to net cash provided

By operating activities:	
Operating income (loss)	\$ 1,073,061
Depreciation, bad debts & reserve	550,714
Payment in lieu of taxes (operating transfer)	(97,000)
Prior period correction	(263,714)
(Increase) in accounts receivable	(273,229)
(Increase) in unbilled revenue	(35,128)
(Increase) in inventory	(34,943)
Decrease in prepaid expenses	266,083
Decrease in other assets	2,495
Increase in accounts payable	37,915
Increase in customer deposits	10,756
Increase in other current liabilities	367,318
Increase in OPEB liability	100,571
(Decrease) in other liabilities	<u>(58)</u>
Net cash provided by operating activities	<u>\$ 1,704,841</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

1. Summary of Significant Accounting Policies

A. Introduction

The Town of Middleton Electric Light Department (the Department) was incorporated in 1912. The Department operates under the provisions of Chapter 164 of the Massachusetts General Laws with an elected Board of Light Commissioners.

The Department complies with accounting principles generally accepted in the United States of America (GAAP). The Department's accounting records are required to conform to the accounting standards set by the Commonwealth of Massachusetts Department of Public Utilities (DPU), which differ from GAAP. Certain adjustments have been made to present the Department's financial statements in accordance with GAAP. The Department applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

B. Reporting Entity

The financial statements present information only on activities of Town of Middleton Electric Light Department and do not purport to, and do not, present fairly the financial position of the Town of Middleton, Massachusetts as of December 31, 2012, and the changes in its financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. The Department is presented as an enterprise fund in the Town of Middleton, Massachusetts' financial statements.

C. Regulation and Operation

Under Massachusetts law, electric rates of the Department are set by the Board of Commissioners and may be changed once every three months. Rate schedules are filed with the DPU. While the DPU exercises general supervisory authority over the Department, rates are not subject to DPU approval. Rates must be set such that net earnings from operations do not exceed 8% of the cost of utility plant, unless prior year losses are being recaptured.

D. Basis of Accounting

I. Basis of Presentation

The financial condition and results of operations of the Department are presented as of and for the year ended December 31, 2012.

II. Basis of Accounting

The Department is considered a proprietary fund type. As such, the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The Department also distinguishes between operating an

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

1. Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

II. Basis of Accounting (continued)

nonoperating revenues and expenses, based on whether the items relate to the primary operation of providing electric service.

III. Cash Equivalents

For purposes of the statement of cash flows, the Department considers investments with original maturities of three months or less when purchased to be cash equivalents.

IV. Inventory

Inventory is carried at cost, calculated on an average cost basis.

V. Utility Plant in Service

Utility plant in service is recorded at historical cost. Depreciation is calculated on a straight line basis. Depreciation rates are as follows: buildings and structures - 50 years; utility plant infrastructure (poles, meters, transformers, etc.) - 20 to 33 years; other capital assets - 10 to 20 years.

An amount equal to annual depreciation expense is transferred by the Department from unrestricted cash to a segregated depreciation cash fund. This fund is utilized in accordance with DPU regulations for certain additions to utility plant in service.

The Department charges maintenance costs to expense when incurred. Replacements and betterments are charged to utility plant when purchased or when placed in service, according to DPU requirements. At the time plant is retired, the cost of plant, less accumulated depreciation and any salvage value, is recorded as a reduction of the related accounts.

VI. Accrued Vacation and Sick Leave

Vacation time for Department employees varies from one to four weeks, based on years of service. In addition, each year employees are eligible to "buy back" a percentage of accrued sick time, subject to certain restrictions. The total amount of accrued vacation and sick leave payable at December 31, 2012 is presented in the financial statements.

VII. Operating Revenues

Revenues are based on rates established by the Department and are applied to customers' consumption of electricity. The Department utilizes a fuel cost adjustment, whereby fluctuations in the cost of power can be adjusted monthly on customer bills without a change to the basic rate structure. All customers are allowed a discount on a portion of their electric bill if paid within fifteen days which is recorded as revenue when forfeited.

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

1. Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

VIII. Taxes

The Department is exempt from state and federal income taxes and local property taxes. The Department pays an in lieu of tax payment to the Town of Middleton based on an annual vote by the Board of Commissioners.

IX. Correction of an Error

The Department services a small number of residents in a neighboring Town on behalf of another municipal light department. The Department bills the other light department for the power provided and the other department is responsible for billing and collecting amounts from those involved. Due to a billing error in recording meter readings, the other light department was billed by and paid to the Department \$263,714 more than actual amounts. This amount relates to prior years and has therefore been recorded as a restatement of beginning net position in these financial statements.

2. Cash and Investments

Cash of the Plant is in control of the Town Treasurer, as required by state law. State and local statutes place certain limitations on the nature of deposits and investments available to the Plant. Cash and cash equivalents in any one financial institution may not exceed certain levels without collateralization by the financial institutions involved. Separate accounts are maintained for the Plant's depreciation fund, stabilization fund and customer meter deposits fund. Operating cash is pooled with Town funds in various Town bank accounts.

The Plant maintains a depreciation and stabilization fund, which are designations allowed per DPU regulations. Subject to certain restrictions, these amounts are available for general Plant operations and are included in the financial statements as unrestricted cash and cash equivalents. Customer meter deposits are presented as restricted cash and cash equivalents, as these amounts are available to the Plant only if a customer account is terminated with an outstanding balance.

At year-end, the Department's carrying amount of segregated bank deposits was \$143,900. The bank balance of these Department segregated funds maintained by the Town Treasurer was \$145,961. In addition to the segregated funds, there was \$589,186 of operating cash pooled within various Town accounts. Bank deposits are pooled with, or in the same financial institution as, Town operating funds and, therefore, specific collateralization information on these amounts is not available. In addition to bank deposits, \$1,367 was invested with the Municipal Light Departments of Massachusetts Reserve Trust, an investment pool authorized under state statutes. This is considered part of cash equivalents in the financial statements.

At year-end, the investment balances for the Plant were as follows:

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

2. Cash and Investments (continued)

<u>Type of Investment</u>	<u>Fair Value</u>
US government securities	\$2,484,193
Equities	1,331,039
Certificates of deposit	1,061,105
Municipal bonds	2,282,515
Mutual and money market funds (cash equivalents)	<u>906,083</u>
Total investments	<u>\$8,064,935</u>

Of the above amounts, maturities are as follows: 1) for US Government Securities, \$2,484,193 beyond five years; 2) for certificates of deposit, \$141,079 between two and five years and \$920,026 beyond five years; and 3) for municipal bonds \$2,282,515 beyond five years.

The US government and agency securities investments are rated Aaa by Moody's Investor Services and AAA by Standard and Poor's and municipal bonds are rated \$356,906 as AAA and \$1,925,609 as AA to A by Standards and Poor's. Mutual funds, money market funds and certificates of deposit are not rated.

3. Accounts Receivable

The following is a summary of accounts receivable as of December 31, 2012.

	<u>2012</u>
Customer accounts receivable	\$1,605,973
Other accounts receivable	74,869
Purchased power credits receivable	17,313
Allowance for uncollectible accounts	<u>(26,485)</u>
Total accounts receivable, net	<u>\$1,671,670</u>

At December 31, 2012, of the total accounts receivable of \$1,605,973, \$1,152,200 relates to the December, 2012 power bills due from customers (due in January).

4. Prepaid Expenses

At December 31, 2012, the Department has total prepaid expenses of \$458,077. Most of the prepaid expense amount represents a deposit used to facilitate timely payments of certain monthly power invoices.

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

5. Capital Assets

The following is a summary of the Department's capital assets for the year ended December 31, 2012.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers out and Reductions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land and land improvements	<u>\$327,323</u>	:	:	<u>327,323</u>
Total capital assets not being depreciated	<u>327,323</u>	:	:	<u>327,323</u>
Capital assets being depreciated:				
Buildings and improvements	930,934	240,000	-	1,170,934
Equipment	2,089,686	298,516	110,689	2,277,513
Infrastructure	<u>14,597,498</u>	<u>488,243</u>	<u>74,039</u>	<u>15,011,702</u>
Total capital assets being depreciated	<u>17,618,118</u>	<u>1,026,759</u>	<u>184,728</u>	<u>18,460,149</u>
Less accumulated depreciation for:				
Buildings and improvements	(458,639)	(23,093)	-	(481,732)
Equipment	(1,502,931)	(101,006)	(110,689)	(1,493,248)
Infrastructure	<u>(7,279,261)</u>	<u>(426,615)</u>	<u>(65,933)</u>	<u>(7,639,943)</u>
Total accumulated depreciation	<u>(9,240,831)</u>	<u>(550,714)</u>	<u>(176,622)</u>	<u>(9,614,923)</u>
Capital assets being depreciated, net	<u>8,377,287</u>	<u>476,045</u>	<u>8,106</u>	<u>8,845,226</u>
Total capital assets, net	<u>\$8,704,610</u>	<u>476,045</u>	<u>8,106</u>	<u>9,172,549</u>

6. Pension Plans

Department employees participate in a cost sharing, multiple employer defined benefit plan. The system is funded by contributions from participants and employer contributions. This system, the Essex Regional Retirement System, covers all employees of the Department.

Eligibility and Vesting - Employees of the Department who are employed on a basis which anticipates work at an annual rate to exceed 1040 hours are eligible to participate in the System. Employees are eligible immediately after the date of employment. For participants who were employed by the Department prior to January 1, 1978, benefits become vested after 20 or more years of creditable service or upon reaching the age of 55. Benefits relating to participants who were hired subsequent to December 31, 1977 become vested after 20 or more years of creditable service or after 10 or more years of creditable service and if they have reached the age of 55.

Contributions - Employees contribute 5% of regular compensation if employed prior to 1/1/1975; 7% if first employed from 1/1/1975 to 12/31/1983; 8% of the first \$30,000 and 10% thereafter if first employed on or after 1/1/1984; and 9% of the first \$30,000 and 11% thereafter if first employed on or after 1/1/1997. Employee contributions may be returned to the participants upon leaving Department

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

6. Pension Plans (continued)

employment prior to retirement, within certain age and length of employment restrictions, as prescribed by the Massachusetts General Laws.

Retirement Benefits & Other - The amount of normal monthly retirement benefit is equal to a percentage of the participant's average monthly compensation, determined based on age at retirement, the maximum being 2.5% at age 65, and based on the higher of the participant's (1) highest three consecutive years of compensation or (2) last three calendar years of employment preceding retirement whether or not such years are consecutive, multiplied by years of service, up to a maximum of 80% of the average monthly compensation as computed above or \$30,000 in annual compensation for participants who first became employed after January 1, 1979. Any cost-of-living adjustments granted since 1981 and any increase in other benefits imposed by state law after that year are borne by the Commonwealth. Provisions exist in the plan for cost of living adjustments and disability benefits.

Department Contributions Required and Made - The Town is assessed annually for their share of system costs. The Department reimburses the Town for their share of this assessment. The Department paid to the Town (based on the Town's fiscal year ended June 30th) \$236,182 in 2010, \$263,287 in 2011 and \$200,459 in 2012. The total Town assessment represents approximately 3.0% of system wide employer assessments for these years.

Trend Information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's annual financial report. A copy of this report is available from the system.

7. Notes and Bonds Payable

The Department did not have any outstanding short or long term debt during 2012. At December 31, 2012, the Department has no unauthorized and unissued debt.

8. Other Post-Employment Benefits (OPEB)

The Department was required to implement GASB 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, for the 2009 financial statements. The Department established the net OPEB obligation at January 1, 2009 at zero and is applying the measurement and recognition requirements for the remaining amounts of GASB 45 on a prospective basis.

Plan Description - The Department provides for certain health care benefits in accordance with Massachusetts General Law Chapter 32B, to employees who retire in accordance with various predetermined years of service and under various age requirements under a single employer defined benefit plan. Changes to plan design and contribution rates must be negotiated through the collective bargaining process.

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

8. Other Post-Employment Benefits (OPEB) (continued)

As of the most recent valuation date of July 1, 2011, the number of Plan participants is as follows:

Active employees	13
Retirees and beneficiaries	<u>10</u>
Total	<u>23</u>

Funding Policy - Contribution requirements are negotiated as part of the collective bargaining process. Currently, members receiving these benefits contribute 40% of the cost of the plans. The cost of administering the plan is paid for by the Town.

Annual OPEB Cost and Net OPEB Obligation - The Department's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an actuarially determined amount that is calculated in accordance with GASB 45 parameters. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The components of the Department's annual OPEB cost for the year, the actual contribution to the plan and changes to the Department's net OPEB obligation are presented in the following table.

Normal cost	\$55,210
Interest on OPEB obligation	23,482
Amortization of actuarial gains and losses	64,165
Adjustment to annual required contribution	(46,670)
Amortization of unfunded actuarial accrued liability	<u>61,200</u>
Annual OPEB cost	157,387
Contributions made	<u>(56,816)</u>
Increase (decrease) in net OPEB obligation	100,571
Net OPEB obligation - beginning of year	<u>432,122</u>
Net OPEB obligation - end of year	<u>\$532,693</u>

The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the year is as follows (please note that the Department recognized two years of OPEB expenses in 2010 to better align with the Town's fiscal year ending June 30th):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$157,387	36%	\$532,693
12/31/2011	\$156,547	30%	\$432,122
12/31/2010	\$254,640	10%	\$322,320

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

8. Other Post-Employment Benefits (OPEB) (continued)

Funding Status and Funding Progress - The funded status of the plan at July 1, 2011, the most recent actuarial valuation, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age Normal Cost (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage Of Covered Payroll ((B-A)/C)
7/1/2011	\$0	\$1,489,506	\$1,489,506	0%	\$1,243,156	120%

The actuarial valuation of an ongoing plan involves estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding funding status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following additional information is provided as of the latest actuarial valuation:

- Valuation date July 1, 2011
- Actuarial cost method Projected unit credit
- Amortization method 30 years, level dollar
- Remaining amortization period 25 years, as of December 31, 2012
- Interest discount rate 4.00%
- Medical cost trend 8% grading down to 5% in 2014

9. Commitments

The Department is a Participant in certain Projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC). MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in and to issue revenue bonds to finance electric facilities. MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC sells all of the capability (Project Capability) of each of its Projects to its Members and other Utilities (Project Participants) under Power Sales Agreements (PSAs). Among other things, the PSAs require each Project Participant to pay its pro rata share of MMWEC's costs related to the Project, which costs include debt service on revenue bonds issued by MMWEC to finance the Project, plus 10% of MMWEC's debt service to be paid into a Reserve and Contingency Fund. In addition,

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

9. Commitments (continued)

should a Project Participant fail to make payment when due, other Projects Participants may be required to increase (step-up) their payments and correspondingly their Participants' share of Project Capability to an additional amount not to exceed 25% of their original Participants' share of Project Capability. Project Participants have covenanted to fix, revise, and collect rates at least sufficient to meet their obligations under the PSAs.

MMWEC has issued separate issues of revenue bonds for each of its eight Projects, which are payable from, and secured solely by, the revenues derived from the Project to which such issue relates plus available funds pledged under the Amended and Restated General Bond Resolution with respect to the bonds of that project. The MMWEC revenues derived from each Project is used solely to provide for the payment of the bonds of any bond issue relating to such Project and to pay MMWEC's cost of owning and operating such Project and are not used to provide for the payment of the bonds of any bond issue relating to any other Project.

MMWEC operates the Stony Brook Intermediate Project and Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has a 3.7% interest in the W.F. Wyman Unit No. 4 plant, owned and operated by subsidiaries of FPL Energy Wyman IV, LLC, an indirect subsidiary of NextEra Energy Resources, LLC (formerly FPL Energy, LLC), and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit operated by Dominion Nuclear Connecticut, Inc. (DNCI) the majority owner and indirect subsidiary of Dominion Resources, Inc. DNCI also owns and operates Millstone Unit 2 nuclear unit. The operating license for Unit 3 extends to November 25, 2045.

A substantial portion of MMWEC's plant investment and financing program is an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook Resources, LLC (formerly FPL Energy Seabrook, LLC), the majority owner and indirect subsidiary of Next Era Energy Resources, LLC (formerly FPL Energy, LLC). The operating license for Seabrook Station extends to March, 2030. NextEra Seabrook has stated its intention to request an extension of the Seabrook Station operating license for an additional twenty years.

Pursuant to the PSAs the MMWEC Seabrook and Millstone Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly Project billings. The Project Participants are also liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act. Originally enacted in 1957, the Act has been renewed several times. In July, 2005, as part of the Energy Policy Act of 2005, Congress extended the Price-Anderson Act through the end of 2025.

The Department has entered into PSAs and Power Purchase Agreements (PPAs) with MMWEC. Under both the PSAs and PPAs, the Department is required to make certain payments to MMWEC payable solely from Department revenues. Under the PSAs, each Participant is unconditionally obligated to make payments due to MMWEC whether or not the Project(s) is completed or operating and notwithstanding the suspension or interruption of the output of the Project(s).

MMWEC is involved in various legal actions, the outcome of which, in the opinion of MMWEC management, will not have a material effect on the financial position of MMWEC.

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

9. Commitments (continued)

Seven municipal light departments that are Participants under PSAs with MMWEC have submitted a demand for arbitration of a dispute relating to charges under the PSAs. The arbitration has been stayed by agreement of the parties. MMWEC has stated that the outcome of this arbitration demand cannot be predicted but in MMWEC's opinion, this will not have a material adverse effect on the financial position of MMWEC.

Total capital expenditures for MMWEC's projects amounted to \$1,593,344,000, of which \$38,728,000 represents the amount associated with the Department's Project Capability of the projects in which it participates, although such amount is not allocated to the Department. MMWEC's debt outstanding for the Projects includes Power Supply System Revenue Bonds \$284,005,000, of which \$7,405,000 is associated with the Department's share of Project Capability of the projects in which it participates, although such amount is not allocated to the Department. As of December 31, 2012, MMWEC's total future debt service requirement on outstanding bonds issued for Projects is \$289,247,000, of which \$7,661,000 is anticipated to be billed to the Department in future years.

The estimated aggregate amount of the Department's required payments under the PSAs and PPAs, exclusive of Reserve and Contingency Fund billings, to MMWEC at December 31, 2012 and estimated for future years is shown below.

For years ended December 31,	2013	\$ 1,742,000
	2014	\$ 1,673,000
	2015	\$ 1,598,000
	2016	\$ 1,540,000
	2017	\$ 779,000
	2018 to 2021	\$ <u>329,000</u>
	Total	\$ <u>7,661,000</u>

In addition, the Department is required to pay its share of the Operation and Maintenance (O&M) costs of the Projects in which they participate. The Department's total O&M costs including debt service under the PSAs were \$3,750,000 and \$4,193,000 for the years ended December 31, 2012 and 2011, respectively.

10. Power Contracts

The Department purchases its power through contracts with various power suppliers, including MMWEC. These contracts are subject to certain market factors. Based on current market conditions, the Department anticipates some stability to its power cost expenses over the next few years.

TOWN OF MIDDLETON ELECTRIC LIGHT DEPARTMENT

Notes to Financial Statements
Years Ended December 31, 2012

11. Contingencies

Numerous lawsuits may be pending or threatened against the Department, which arose from the ordinary course of operations, including actions commenced and claims asserted against it for property damage and personal injury, breaches of contract, condemnation proceedings and other alleged violations of law. The Department's attorney estimates that potential claims, not covered by insurance, resulting from such litigation, would not materially affect the financial statements.

12. Implementation of new GASB Statements

During 2012, the Department implemented the following GASB pronouncements:

- GASB Statement #53 – *Derivative Instruments: Application of Hedge Accounting Termination*. This statement did not impact the Department's financial statements.
- GASB Statement #60 – *Accounting and Financial Reporting for Service Concession Arrangements*. This statement did not impact the Department's financial statements.
- GASB Statement #62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement did not impact the Department's financial statements.
- GASB Statement #63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. The Department has implemented this statement in the accompanying financial statements.
- GASB Statement #64 – *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. This statement did not impact the Department's financial statements.

In future years, the Department will implement the following GASB pronouncements:

- GASB Statement #65 – *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in 2013. The Department is currently evaluating the possible impact of this will have on its financial statements.
- GASB Statement #66 – *Technical Correction -2012 – An Amendment of GASB Statements No. 10 and No. 62*, which is required to be implemented in 2013. The Department is currently evaluating the possible impact of this will have on its financial statements.
- GASB Statement #67 – *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*, which is required to be implemented in 2014. This statement will have no impact on the Department's financial statements.
- GASB Statement #68 – *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, which is required to be implemented in 2015. The Department is currently evaluating the possible impact of this will have on its financial statement.
- GASB Statement #69 – *Government Combinations and Disposals of Government Operations*, which is required to be implemented in 2014. This statement will have no impact on the Department's financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS

**INDEPENDENT AUDITORS' REPORT ON
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TOWN OF MIDDLETON, MASSACHUSETTS

INDEPENDENT AUDITORS' REPORT ON
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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Independent Auditors' Report



Independent Auditors' Report

To the Honorable Board of Selectmen
Town of Middleton, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Middleton, Massachusetts, as of and for the year ended June 30, 2013, (except for the Electric Light Enterprise Fund (business-type activities), which is as of and for the fiscal year ended December, 31, 2012), and the related notes to the financial statements, which collectively comprise the Town of Middleton, Massachusetts' basic financial statements as listed in the table of contents. We did not audit the financial statements of the Electric Light Enterprise Fund (business-type activities), which represents 41.0%, 28.0% and 31.5% of the assets, net position and revenues, respectively, of the government-wide activities. The financial statements were furnished to us, and our opinion, insofar as it relate to the amounts included for the Electric Light Enterprise Fund (business-type activities), are based on the report of the other auditor.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Middleton, Massachusetts, as of June 30, 2013 (except for the Electric Light Enterprise Fund (business-type activities), which is as of and for the fiscal year ended December 31, 2012), and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

As more fully described in Note 19, the Town has restated certain beginning fund balances and net position for the correction of an error. We have audited the adjustments described in Note 19 that were applied to restate the fiscal year 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 4 through 13) and budgetary comparison and certain pension and other postemployment benefits information (located on pages 57 through 63) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated OPEN DATE on our consideration of the Town of Middleton, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Middleton, Massachusetts' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Boston, Massachusetts
OPEN DATE

Management's Discussion and Analysis

TOWN OF MIDDLETON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

As management of the Town of Middleton, Massachusetts (Town), we offer readers of these financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2013.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$67,348,608 (net position). Of this amount, \$11,902,421 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$344,631.
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$6,134,712, or 21.8 percent of total general fund expenditures and transfers out.
- The Town's total bonded debt increased by \$13,887,197 during the fiscal year; \$14,350,000 of new debt was issued.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of **net position** presents information on all of the Town's non-fiduciary assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The **statement of activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave, etc.).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Governmental activities include general government, public safety, education, public works, health and human services and culture and recreation. Business-type activities include electric light operations.

The government-wide financial statements can be found on pages 15-17 of this report.

TOWN OF MIDDLETON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. Fiduciary funds

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains 88 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and school construction (capital projects) funds, each of which are considered to be major funds. Data from the other 86 governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*.

The basic governmental funds financial statements can be found on pages 18-21 of this report.

Proprietary funds

The Town maintains one type of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its electric light operations, which is considered to be a major fund.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

TOWN OF MIDDLETON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Agency funds are reported and combined into a single, aggregate presentation in the fiduciary fund financial statements under the caption "agency funds".

The basic fiduciary fund financial statements can be found on page 25 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-56 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the budget comparison for the general fund and certain pension and other post employment benefits information, which can be located on pages 57-63 of this report.

Government-Wide Financial Analysis

The following tables present current and prior year data on the government-wide financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets exceeded liabilities by \$67,348,608 at the close of the fiscal year and are summarized as follows:

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current assets.....	\$ 16,859,330	\$ 27,367,458	\$ 11,697,534	\$ 10,710,713	\$ 28,556,864	\$ 38,078,171
Noncurrent assets (excluding capital assets).....	464,324	-	-	-	464,324	-
Capital assets (net).....	60,026,849	60,694,217	9,172,549	8,704,611	69,199,398	69,398,828
Total assets.....	77,350,503	88,061,675	20,870,083	19,415,324	98,220,586	107,476,999
Liabilities						
Current liabilities (excluding debt).....	1,555,941	11,176,100	1,427,957	932,886	2,983,898	12,108,986
Noncurrent liabilities (excluding debt).....	7,082,084	6,240,954	588,591	567,160	7,670,675	6,808,114
Current debt.....	1,916,916	15,850,000	-	-	1,916,916	15,850,000
Noncurrent debt.....	18,300,489	5,642,208	-	-	18,300,489	5,642,208
Total liabilities.....	28,855,430	38,909,262	2,016,548	1,500,046	30,871,978	40,409,308
Net Position						
Net investment in capital assets..	41,040,136	41,010,582	9,172,549	8,704,611	50,212,685	49,715,193
Restricted.....	5,031,431	5,291,201	202,071	202,072	5,233,502	5,493,273
Unrestricted.....	2,423,506	2,850,630	9,478,915	9,008,595	11,902,421	11,859,225
Total net position.....	\$ 48,495,073	\$ 49,152,413	\$ 18,853,535	\$ 17,915,278	\$ 67,348,608	\$ 67,067,691

The largest portion of the Town's net position (74.6%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, infrastructure and construction in progress), less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position (7.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (17.7% or \$11,902,421) may be used to meet the Town's ongoing obligations to citizens and creditors. Of this amount, \$2,423,506 may be used to support governmental activities and \$9,478,915 may be used to support business-type activities.

At the end of the current fiscal year, the Town reports positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

TOWN OF MIDDLETON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Changes in Net Position

For the fiscal year ended June 30, 2013, the Town's total net position increased by \$344,631, compared to an increase of \$2,195,359 in the prior fiscal year. These amounts are summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2013	2012	2013	2012	2013	2012
Revenues						
<i>Program Revenues:</i>						
Charges for services.....	\$ 2,123,119	\$ 1,991,352	\$ 13,842,558	\$ 13,710,243	\$ 15,965,677	\$ 15,701,595
Operating grants and contributions.....	3,303,729	3,827,311	225,910	-	3,529,639	3,827,311
Capital grants and contributions.....	752,397	3,283,128	-	-	752,397	3,283,128
<i>General Revenues:</i>						
Real estate and personal property taxes.....	21,895,247	20,448,052	-	-	21,895,247	20,448,052
Motor vehicle and other excise taxes.....	1,257,087	1,370,093	-	-	1,257,087	1,370,093
Hotel/motel taxes.....	271,538	-	-	-	271,538	-
Penalties and interest on taxes.....	97,884	-	-	-	97,884	-
Payments in lieu of taxes.....	155,765	-	-	-	155,765	-
Community preservation surcharges.....	162,096	-	-	-	162,096	-
Grants and contributions not restricted to specific programs.....	483,629	-	-	-	483,629	-
Unrestricted investment income.....	45,470	-	-	-	45,470	-
Other.....	-	954,523	-	143,819	-	1,098,342
Total revenues.....	30,547,961	31,874,459	14,068,468	13,854,062	44,616,429	45,728,521
Expenses						
General government.....	1,634,810	1,697,281	-	-	1,634,810	1,697,281
Public safety.....	4,298,561	3,601,333	-	-	4,298,561	3,601,333
Education.....	20,554,603	19,908,219	-	-	20,554,603	19,908,219
Public works.....	2,602,926	2,680,810	-	-	2,602,926	2,680,810
Health and human services.....	722,208	466,085	-	-	722,208	466,085
Culture and recreation.....	845,219	881,450	-	-	845,219	881,450
Debt service - interest.....	746,974	689,786	-	-	746,974	689,786
Electric light.....	-	-	12,866,497	13,608,198	12,866,497	13,608,198
Total expenses.....	31,405,301	29,924,964	12,866,497	13,608,198	44,271,798	43,533,162
Change in net position before transfers.....	(857,340)	1,949,495	1,201,971	245,864	344,631	2,195,359
Transfers, net.....	-	102,000	-	(102,000)	-	-
Change in net position.....	(857,340)	2,051,495	1,201,971	143,864	344,631	2,195,359
Net position - beginning of year, as restated.....	49,352,413	47,100,918	17,651,564	17,771,414	67,003,977	64,872,332
Net position - end of year.....	\$ 48,495,073	\$ 49,152,413	\$ 18,853,535	\$ 17,915,278	\$ 67,348,608	\$ 67,067,691

Governmental activities decreased the Town's net position by \$857,340. In the prior year, governmental activities increased the Town's net position by \$1,949,495. The key element of this change is a decrease in capital grants and contributions due to a decrease in Massachusetts School Building Authority (MSBA) reimbursements for the Howe-Manning Elementary School Project.

TOWN OF MIDDLETON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Business-type activities increased the Town's net position by \$1,201,971. In the prior year, business-type activities increased the Town's net position by \$143,864. The key element of this change is a decrease in Electric Light operating expenses.

Fund Financial Statement Analysis

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$13,575,049, an increase of \$15,082,811 in comparison with the prior year. \$6,128,846 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable (\$422,521)
- Restricted (\$5,160,686)
- Committed (\$1,694,163)
- Assigned (\$168,833)

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$6,134,712, while total fund balance was \$8,455,351. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and transfers out. Unassigned fund balance represents 21.8% of total general fund expenditures and transfers out, while total fund balance represents 30.0% of that same amount.

The balance of the Town's general fund increased by \$287,403 during fiscal year 2013. The Town anticipated utilizing approximately \$2,426,000 of reserves to fund the budget; however, the Town ultimately recognized an approximate \$2,189,000 budgetary surplus.

Financial highlights of the Town's other major governmental funds are as follows:

The fund balance of the school construction capital projects fund increased by \$14,562,213 during the current fiscal year. This is attributable to intergovernmental revenue (\$933,907), proceeds of bonds and notes (\$14,000,000) and expenditures of \$371,694.

Proprietary funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the electric light enterprise fund at the end of the year amounted to \$9,478,915. The electric light enterprise fund had an increase in net position for the year of \$1,201,971. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities.

TOWN OF MIDDLETON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

General Fund Budgetary Highlights

The original and final general fund budget totaled \$27,349,918. During the year, general fund revenues and other financing sources exceeded budgetary estimates, while expenditures and encumbrances and continuing appropriations were less than budgeted appropriations, resulting in a positive budget to actual variance of approximately \$2,189,000.

Capital Asset and Debt Administration

Capital assets

The Town's investment in capital assets for its governmental and business type activities at the end of the fiscal year totaled \$69,199,398 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction in progress. The total decrease in the investment in capital assets for the current fiscal year totaled \$199,430 or 0.3% (a \$667,368 decrease for governmental activities and a \$467,938 increase for business-type activities).

Major capital asset events that occurred during the current fiscal year include the following:

- Roadway infrastructure (\$591,806)
- School building construction (\$343,575)
- Land purchase (\$100,000)
- Rescue squad vehicle (\$68,000)
- Electric light building improvements (\$240,000)
- Electric light equipment (\$298,516)
- Electric light infrastructure (\$426,615)

The following table summarizes the Town's capital assets (net of accumulated depreciation):

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2013	2012	2013	2012	2013	2012
Land.....	\$ 4,135,614	\$ 4,035,614	\$ 327,323	\$ 327,323	\$ 4,462,937	\$ 4,362,937
Buildings & Improvements.....	37,456,751	13,546,717	689,202	472,295	38,145,953	14,019,012
Machinery and equipment.....	1,994,112	2,114,535	784,265	586,755	2,778,377	2,701,290
Infrastructure.....	16,203,792	16,264,447	7,371,759	7,318,238	23,575,551	23,582,685
Construction in progress.....	236,580	24,732,904	-	-	236,580	24,732,904
Total capital assets.....	\$ 60,026,849	\$ 60,694,217	\$ 9,172,549	\$ 8,704,611	\$ 69,199,398	\$ 69,398,828

Additional information on the Town's capital assets can be found in Note 5 on pages 43-44 of this report.

TOWN OF MIDDLETON, MASSACHUSETTS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2013

Long-Term Debt

At the end of the current fiscal year, total bonded debt outstanding was \$19,529,405, which is backed by the full faith and credit of the Town, and is summarized as follows:

	<i>Governmental Activities</i>	
	2013	2012
General obligation bonds.....	\$ 19,414,405	\$ 5,357,208
MWPAT notes.....	115,000	285,000
Total bonds and notes.....	\$ 19,529,405	\$ 5,642,208

The Town's total bonded debt increased by \$13,887,197 during the current fiscal year, with \$14,350,000 of new debt issuances.

Moody's Investors Service, Inc. assigned an "Aa2" rating on bonds issued during fiscal year 2013.

Additional information on the Town's long-term debt can be found in Note 9 on pages 47-48 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Town's fiscal year 2014 budget:

- According to the Commonwealth of Massachusetts Division of Employment and Training, the unemployment rate for the Town for 2013 was 6.3%, which compares favorably with state and national unemployment rate.
- According to the U. S. Department of Commerce Census Bureau, the median family income for the Town for 2013 was \$100,521; the per capita income for the same time was \$34,777. This compares favorably with both state and national incomes.
- According to the Town's Board of Assessors the average 2013 single family home in Middleton is valued at \$484,481; the average two-family home is valued at \$464,176; the average three-family home is valued at \$379,350; the average condominium is valued at \$329,645; the average commercial property is valued at \$1,137,079; and the average industrial property is valued at \$893,289. All properties compare favorable with state and national property values.

The Town approved a fiscal year 2014 general fund budget of \$27,624,478 an increase of 4.25% or \$1,126,767 over the fiscal year 2013 general fund budget. This increase is due in part to a 7.8% increase in the county retirement assessment in the amount of \$60,400 and 3.01% increase in local education in the amount of \$274,502.

The total property tax levy for fiscal year 2014 is \$22,527,391, an increase of 5.62% or \$1,199,461.

TOWN OF MIDDLETON, MASSACHUSETTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the CFO/Town Accountant, Town of Middleton, 48 South Main Street, Middleton, Massachusetts 01949.

Basic Financial Statements

TOWN OF MIDDLETON, MASSACHUSETTS
STATEMENT OF NET POSITION
JUNE 30, 2013
(BUSINESS-TYPE ACTIVITIES DECEMBER 31, 2012)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents.....	\$ 9,155,704	\$ 1,499,536	\$ 10,655,290
Restricted cash and cash equivalents.....	5,188,575	152,355	5,340,930
Investments.....	-	7,158,852	7,158,852
Restricted investments.....	759,638	-	759,638
Receivables, net of allowance for uncollectible amounts:			
Real estate and personal property taxes.....	349,837	-	349,837
Tax and utility liens.....	684,804	-	684,804
Motor vehicle and other excise taxes.....	77,253	-	77,253
Community preservation surcharges.....	3,048	-	3,048
User charges.....	-	1,671,670	1,671,670
Departmental and other.....	245,307	-	245,307
Intergovernmental.....	391,748	-	391,748
Loans.....	3,416	-	3,416
Other assets.....	-	608,227	608,227
Unbilled revenue.....	-	185,853	185,853
Inventory.....	-	420,991	420,991
Total current assets.....	16,859,330	11,697,534	28,556,864
Noncurrent assets:			
Receivables, net of allowance for uncollectible amounts:			
Loans.....	34,848	-	34,848
Tax foreclosures.....	429,476	-	429,476
Capital assets not being depreciated.....	4,372,194	-	4,372,194
Capital assets, net of accumulated depreciation.....	55,654,655	9,172,549	64,827,204
Total noncurrent assets.....	60,491,173	9,172,549	69,663,722
Total assets.....	77,350,503	20,870,083	98,220,586
LIABILITIES			
Current liabilities:			
Warrants payable.....	513,169	657,103	1,170,272
Accrued payroll.....	768,592	-	768,592
Other liabilities.....	26,017	770,854	796,871
Accrued interest.....	208,163	-	208,163
Landfill closure and post-closure.....	40,000	-	40,000
Short-term notes payable.....	688,000	-	688,000
Long-term bonds and notes payable.....	1,228,916	-	1,228,916
Total current liabilities.....	3,472,857	1,427,957	4,900,814
Noncurrent liabilities:			
Landfill closure and post-closure.....	740,000	-	740,000
Compensated absences.....	-	55,898	55,898
Net OPEB obligation.....	6,342,084	532,693	6,874,777
Long-term bonds and notes payable.....	18,300,489	-	18,300,489
Total noncurrent liabilities.....	25,382,573	588,591	25,971,164
Total liabilities.....	28,855,430	2,016,548	30,871,978
NET POSITION			
Net investment in capital assets.....	41,040,136	9,172,549	50,212,685
Restricted for:			
Electric light.....	-	202,071	202,071
Other postemployment benefits.....	457,643	-	457,643
Community preservation.....	425,543	-	425,543
Loans.....	38,264	-	38,264
Permanent funds:			
Expendable.....	446,851	-	446,851
Nonexpendable.....	422,521	-	422,521
Other specific purposes.....	3,240,609	-	3,240,609
Unrestricted.....	2,423,506	9,478,915	11,902,421
Total net position.....	\$ 48,495,073	\$ 18,853,535	\$ 67,348,608

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(BUSINESS-TYPE ACTIVITIES YEAR ENDED DECEMBER 31, 2012)

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government.....	\$ 1,634,810	\$ 262,607	\$ 57,109	\$ -	\$ (1,315,094)
Public safety.....	4,298,561	711,844	52,486	-	(3,534,231)
Education.....	20,554,603	655,109	3,120,977	273,514	(16,505,003)
Public works.....	2,602,926	243,337	(2,088)	478,877	(1,882,800)
Health and human services.....	722,208	86,127	47,121	-	(588,960)
Culture and recreation.....	845,219	164,095	28,124	6	(652,994)
Debt service - interest.....	746,974	-	-	-	(746,974)
Total governmental activities.....	<u>31,405,301</u>	<u>2,123,119</u>	<u>3,303,729</u>	<u>752,397</u>	<u>(25,226,056)</u>
Business-type activities:					
Electric.....	<u>12,866,497</u>	<u>13,842,558</u>	<u>225,910</u>	<u>-</u>	<u>1,201,971</u>
Total primary government.....	<u>\$ 44,271,798</u>	<u>\$ 15,965,677</u>	<u>\$ 3,529,639</u>	<u>\$ 752,397</u>	<u>\$ (24,024,085)</u>

(continued)

TOWN OF MIDDLETON, MASSACHUSETTS
STATEMENT OF ACTIVITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(BUSINESS-TYPE ACTIVITIES YEAR ENDED DECEMBER 31, 2012)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense)/revenue (from previous page).....	\$ (25,226,056)	\$ 1,201,971	\$ (24,024,085)
<i>General revenues:</i>			
Real estate, personal property taxes and tax liens.....	21,895,247	-	21,895,247
Motor vehicle and other excise taxes.....	1,257,087	-	1,257,087
Hotel/motel taxes.....	271,538	-	271,538
Penalties and interest on taxes.....	97,884	-	97,884
Payments in lieu of taxes.....	155,765	-	155,765
Community preservation surcharges.....	162,096	-	162,096
Grants and contributions not restricted to specific programs.....	483,629	-	483,629
Unrestricted investment income.....	45,470	-	45,470
Total general revenues and transfers.....	<u>24,368,716</u>	<u>-</u>	<u>24,368,716</u>
Change in net position.....	(857,340)	1,201,971	344,631
Net position - beginning of year, as restated.....	<u>49,352,413</u>	<u>17,651,564</u>	<u>67,003,977</u>
Net position - end of year.....	<u>\$ 48,495,073</u>	<u>\$ 18,853,535</u>	<u>\$ 67,348,608</u>

The accompanying notes are an integral part of the financial statements.

(concluded)

TOWN OF MIDDLETON, MASSACHUSETTS
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2013

ASSETS	General	School Construction	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 9,155,704	\$ -	\$ -	\$ 9,155,704
Receivables, net of allowance for uncollectible amounts:				
Real estate and personal property taxes.....	349,837	-	-	349,837
Tax and utility liens.....	684,804	-	-	684,804
Motor vehicle and other excise taxes.....	77,253	-	-	77,253
Community preservation surcharges.....	-	-	3,048	3,048
Departmental and other.....	-	-	245,307	245,307
Intergovernmental.....	-	382,054	9,694	391,748
Loans.....	-	-	38,264	38,264
Tax foreclosures.....	429,476	-	-	429,476
Restricted assets:				
Cash and cash equivalents.....	457,643	1,092,811	3,638,121	5,188,575
Investments.....	-	-	759,638	759,638
TOTAL ASSETS.....	\$ 11,154,717	\$ 1,474,865	\$ 4,694,072	\$ 17,323,654
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Warrants payable.....	\$ 478,116	\$ -	\$ 35,053	\$ 513,169
Accrued payroll.....	755,042	-	13,550	768,592
Other liabilities.....	-	-	26,017	26,017
Deferred revenue.....	1,466,208	-	286,619	1,752,827
Short-term notes payable.....	-	688,000	-	688,000
TOTAL LIABILITIES.....	2,699,366	688,000	361,239	3,748,605
FUND BALANCES:				
Nonspendable.....	-	-	422,521	422,521
Restricted.....	457,643	786,865	3,916,178	5,160,686
Committed.....	1,694,163	-	-	1,694,163
Assigned.....	168,833	-	-	168,833
Unassigned.....	6,134,712	-	(5,866)	6,128,846
TOTAL FUND BALANCES.....	8,455,351	786,865	4,332,833	13,575,049
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 11,154,717	\$ 1,474,865	\$ 4,694,072	\$ 17,323,654

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
 JUNE 30, 2013

Total governmental fund balances (page 18).....	\$ 13,575,049
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....	60,026,849
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.....	1,752,827
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due.....	(208,163)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and notes payable, net of unamortized premiums and deferred losses on refundings.....	(19,529,405)
Landfill closure and post-closure.....	(780,000)
Net OPEB obligation.....	<u>(6,342,084)</u>
Net position of governmental activities (page 15).....	<u>\$ 48,495,073</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General	School Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real estate and personal property taxes.....	\$ 21,087,213	\$ -	\$ -	\$ 21,087,213
Motor vehicle and other excise taxes.....	1,379,255	-	-	1,379,255
Hotel/motel tax.....	271,538	-	-	271,538
Tax and utility liens.....	265,307	-	-	265,307
Payments in lieu of taxes.....	155,765	-	-	155,765
Community preservation surcharges.....	-	-	160,644	160,644
Charges for services.....	159,210	-	4,373	163,583
Intergovernmental.....	3,332,964	933,907	906,930	5,173,801
Penalties and interest on taxes.....	97,884	-	-	97,884
Licenses and permits.....	371,059	-	54,378	425,437
Fines and forfeitures.....	50,000	-	-	50,000
Departmental and other.....	235,707	-	1,357,190	1,592,897
Contributions.....	-	-	15,834	15,834
Investment income.....	45,470	-	10,513	55,983
TOTAL REVENUES.....	27,451,372	933,907	2,509,862	30,895,141
EXPENDITURES				
Current:				
General government.....	1,256,368	-	160,270	1,416,638
Public safety.....	3,392,054	-	48,887	3,440,941
Education.....	16,893,852	371,694	919,674	18,185,220
Public works.....	1,551,913	-	709,499	2,261,412
Health and human services.....	337,722	-	70,654	408,376
Culture and recreation.....	446,436	-	106,491	552,927
Pension benefits.....	1,805,274	-	-	1,805,274
Employee benefits.....	652,718	-	-	652,718
Property and liability insurance.....	126,083	-	-	126,083
State and county charges.....	260,240	-	-	260,240
Debt service:				
Principal.....	855,000	-	150,932	1,005,932
Interest.....	591,864	-	11,760	603,624
TOTAL EXPENDITURES.....	28,169,524	371,694	2,178,167	30,719,385
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(718,152)	562,213	331,695	175,756
OTHER FINANCING SOURCES (USES)				
Transfers in.....	448,500	-	-	448,500
Proceeds of bonds and notes.....	-	14,000,000	350,000	14,350,000
Premium from issuance of bonds and notes.....	557,055	-	-	557,055
Transfers out.....	-	-	(448,500)	(448,500)
TOTAL OTHER FINANCING SOURCES (USES).....	1,005,555	14,000,000	(98,500)	14,907,055
NET CHANGE IN FUND BALANCES.....	287,403	14,562,213	233,195	15,082,811
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED.....	8,167,948	(13,775,348)	4,099,638	(1,507,762)
FUND BALANCES AT END OF YEAR.....	\$ 8,455,351	\$ 786,865	\$ 4,332,833	\$ 13,575,049

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds (page 20).....	\$ 15,082,811
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts represent the related activity of the current period.</p>	
Capital outlays.....	1,581,119
Depreciation.....	(2,247,493)
<p>In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds the entire proceeds of the sale are reported as financial resources. As a result, the change in net position differs from the change in fund balance by the cost of the capital assets sold.....</p>	
	(994)
<p>Revenues in the statement of activities that do not provide current financial resources are fully deferred in the statement of revenues, expenditures and changes in fund balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p>	
	(347,180)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.</p>	
Bond proceeds.....	(14,350,000)
Bond premiums.....	(557,055)
Bond maturities.....	1,005,932
Amortization of bond premiums.....	13,926
<p>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable.....</p>	
	(157,276)
<p>Some expenses reported in the statement activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:</p>	
Landfill closure.....	40,000
Net OPEB obligation.....	(921,130)
	(881,130)
Changes in net position of governmental activities (page 17).....	\$ (857,340)

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2012

	Business-Type Activities Enterprise Fund
ASSETS	<u>Electric Light</u>
Current assets:	
Cash and cash equivalents.....	\$ 1,499,586
Restricted cash and cash equivalents.....	152,355
Investments.....	7,158,852
Receivables, net of allowance for uncollectible amounts:	
User charges.....	1,671,670
Unbilled revenue.....	185,853
Other assets.....	608,227
Inventory.....	<u>420,991</u>
Total current assets.....	<u>11,697,534</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation.....	<u>9,172,549</u>
Total assets.....	<u>20,870,083</u>
LIABILITIES	
Current liabilities:	
Warrants payable.....	657,103
Other liabilities.....	<u>770,854</u>
Total current liabilities.....	<u>1,427,957</u>
Noncurrent liabilities:	
Compensated absences.....	55,898
Net OPEB obligation.....	<u>532,693</u>
Total noncurrent liabilities.....	<u>588,591</u>
Total liabilities.....	<u>2,016,548</u>
NET POSITION	
Investment in capital assets.....	9,172,549
Restricted.....	202,071
Unrestricted.....	<u>9,478,915</u>
Total net position.....	<u>\$ 18,853,535</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

		<u>Business-Type Activities Enterprise Fund</u>
		<u>Electric Light</u>
OPERATING REVENUES		
Charges for services.....	\$	13,566,088
Other operating revenues.....		<u>276,470</u>
TOTAL OPERATING REVENUES.....		<u>13,842,558</u>
OPERATING EXPENSES		
Cost of service and administration.....		12,218,783
Depreciation.....		<u>550,714</u>
TOTAL OPERATING EXPENSES.....		<u>12,769,497</u>
OPERATING INCOME (LOSS).....		<u>1,073,061</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income.....		225,910
Other nonoperating expenses.....		<u>(97,000)</u>
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....		<u>128,910</u>
CHANGE IN NET POSITION.....		1,201,971
NET POSITION AT BEGINNING OF YEAR, AS RESTATED.....		<u>17,651,564</u>
NET POSITION AT END OF YEAR.....	\$	<u><u>18,853,535</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

	Business-Type Activities Enterprise Fund
	Electric Light
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users.....	\$ 13,544,957
Payments to vendors.....	(10,477,271)
Payments to employees.....	(1,265,845)
Payment in lieu of taxes (operating transfer).....	(97,000)
NET CASH FROM OPERATING ACTIVITIES.....	1,704,841
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets.....	(1,018,652)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase and sale of investments, net.....	(4,937,090)
Investment income.....	225,910
NET CASH FROM INVESTING ACTIVITIES.....	(4,711,180)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(4,024,991)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Includes \$141,598 reported as restricted).....	5,676,932
CASH AND CASH EQUIVALENTS AT END OF YEAR (Includes \$152,355 reported as restricted).....	\$ 1,651,941
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating income (loss).....	\$ 1,073,061
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Changes in assets and liabilities not requiring current expenditure of cash:	
Depreciation.....	550,714
Increase in net OPEB obligation.....	100,571
Payment in lieu of taxes (operating transfer).....	(97,000)
Changes in assets and liabilities requiring current expenditure of cash:	
User charges.....	(536,943)
Unearned revenue.....	(35,128)
Other assets.....	268,578
Inventory.....	(34,943)
Warrants payable.....	37,915
Other liabilities.....	378,074
Compensated absences.....	(58)
Total adjustments.....	631,780
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,704,841

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2013

ASSETS	Agency Funds
Cash and cash equivalents.....	\$ 275,283
Receivables, net of allowance for uncollectible amounts:	
Departmental and other.....	97,752
Total assets.....	373,035
 LIABILITIES	
Liabilities due depositors.....	369,027
 NET POSITION	
Assets held in trust for other purposes.....	\$ -

The accompanying notes are an integral part of the financial statements.

TOWN OF MIDDLETON, MASSACHUSETTS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

B. Reporting Entity

The Town of Middleton, Massachusetts (Town) is a municipal corporation that is governed by an elected Board of Selectmen.

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions and institutions that are not legally separate from the Town.

The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the Town are such that exclusion would cause the Town's basic financial statements to be misleading or incomplete. It has been determined that there are no component units that require inclusion in the basic financial statements.

Joint Venture

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in two joint ventures with other municipalities to pool resources and share the costs, risks and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients. The following table identifies the Town's joint ventures and related information:

<u>Name</u>	<u>Purpose</u>	<u>Address</u>	<u>Fiscal Year 2013 Assessment</u>
Masconomet Regional School District	To provide educational services	20 Endicott Road Topsfield, MA 01983	\$ 7,071,797
North Shore Regional Vocational School District	To provide educational services	30 Log Bridge Road Middleton, MA 01949	\$ 385,763

The Masconomet Regional School District (the District) is governed by a thirteen member board composed of school committees of member Towns. The Town is indirectly liable for the Masconomet Regional School District debt and other expenditures and is assessed annually for its share of operating and capital costs. For the fiscal year ended June 30, 2013 the Town's assessment totaled \$7,071,797. Separate financial statements may be obtained by writing to the Superintendent's Office of the District at the address identified above.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

The North Shore Regional School District (the District) is governed by a school committee composed of one representative from each Town. The Town is indirectly liable for the North Shore Regional School District debt and other expenditures and is assessed annually for its share of operating and capital costs. For the fiscal year ended June 30, 2013 the Town's assessment totaled \$385,763. Separate financial statements may be obtained by writing to the Superintendent's Office of the District at the address identified above.

C. Implementation of New Accounting Principles

For the year ending June 30, 2013, the Town implemented the following pronouncements issued by the GASB:

- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*
- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

GASB Statement No. 63 identifies net position as the residual of all other elements presented in a statement of financial position, which amends the net asset reporting requirements of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements, by renaming net assets to net position and defining net position to incorporate the effects of deferred inflows and outflows.

The implementation of GASB Statement No.'s 60, 61 and 62 had no reporting impact for the Town.

D. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are primarily supported by user fees.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Internal service funds and fiduciary funds are reported by fund type.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

E. Measurement Focus, Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a specific function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60-days after the end of the fiscal year. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

The following major governmental funds are reported:

The *general fund* is used to account for and report all financial resources not accounted for and reported in another fund.

The *school construction project fund* is a capital projects fund used to account for financial resources to expand and upgrade the school facilities.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary fund is reported:

The *electric light enterprise fund* is used to account for the Town's electric light operations.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government's programs.

The following fiduciary fund type is reported:

The *agency fund* is used to account for assets held in a custodial capacity. Such assets consist of bid deposits. Agency funds do not present the results of operations or have a measurement focus.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

F. Deposits and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

Investments are carried at fair value. Fair value is based on quotations from a national securities exchange except for pooled funds, alternative investments and real estate, for which fair value is determined as follows:

Pooled Funds

The fair value of shares in managed investment pools is based on unit value reported by the funds.

Alternative Investments

Alternative investments are recorded at fair value as determined in good faith by the general partners of the venture capital firms after consideration of pertinent information, including current financial position and operating results, price-earnings multiples and available market prices of similar companies' securities, the nature of securities, marketability, restrictions on disposition and other appropriation and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot reasonably be determined until individual securities are liquidated.

Real Estate

The fair value of real estate funds is based on independent third-party appraisals. The investment managers of the funds are responsible for the reported value of those investments. However, the structure, risk profile, return potential and marketability of those investments differ from traditional equity and fixed income investments. Determination of the value of these investments involves subjective judgment because the actual market value can be determined only by negotiation between the parties to a sales transaction. As a result, the estimated values may differ significantly from the values that would have been used had a ready market for the real estate existed, and the differences could be material.

G. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.

Real Estate Taxes, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date.

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Motor Vehicle Excise Taxes

Motor vehicle excise taxes are assessed annually for each vehicle registered in the Town and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles to the Town. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

Community Preservation Surcharges

Community preservation surcharges are levied annually and at a rate of 1% of residents' real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors (60+) with low or moderate income as defined by DOR guidelines. The surcharge is due with the real estate tax on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Overdue surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the fiscal year of the levy.

Departmental and Other

Departmental and other receivables primarily consist primarily of ambulance receivables and are recorded as receivables in the fiscal year accrued.

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

Loans

The Town administers various loan programs to residents that provide assistance to comply with Title V (related to septic systems) requirements. Loans are recorded as receivables upon issuance.

H. Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Motor vehicle and other excise taxes
- Departmental and other

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible amounts is not reported.

- Real estate taxes and tax liens
- Community preservation surcharges
- Loans

Intergovernmental receivables are considered 100% collectible.

TOWN OF MIDDLETON, MASSACHUSETTS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

I. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements and therefore are not reported.

J. Restricted Assets

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Restricted assets in the enterprise funds represent cash and short-term investments and investments set aside for repayment of customer deposits.

K. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which consist of land, land improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activities column of the government-wide financial statements.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

Capital Asset Type	Estimated Useful Life (in years)
Land improvements.....	20-30
Buildings.....	40
Building improvements.....	7-20
Machinery, vehicles and equipment.....	3-10
Infrastructure.....	30-100

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

L. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

M. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

N. Deferred Revenue

Deferred revenue at the fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Deferred revenue is recognized as revenue in the conversion to the government-wide financial statements (full accrual).

O. Net Position and Fund Balances

Government-Wide Financial Statements and Proprietary Fund Financial Statements (Net Position)

Net position are reported as restricted when amounts are restricted by outside parties for a specific future use.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Net position has been "restricted" for the following:

"Electric light" represents amounts restricted for Electric light operations.

"Other postemployment benefits" represents amounts restricted (in accordance with MGL, Chapter 32B, Section 20) for other postemployment benefits.

"Community Preservation" represents amounts restricted for the purpose of acquiring land for conservation, affordable housing, open space and historic purposes.

"Loans" represents outstanding septic loans receivable.

"Permanent funds - expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Permanent funds - nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

"Other specific purposes" represents restrictions placed on assets from outside parties.

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable – represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

Restricted – represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – represents amounts that can be used only for specific purposes imposed by a formal action of Town Meeting, which is the highest level of decision-making authority for the Town. Committed amounts may be established, modified, or rescinded only through actions approved by Town Meeting.

Assigned – represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the Town's structure, only authorized assignments for non-contractual encumbrances can be made by individual department heads.

Unassigned – represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

P. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statements of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

Q. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Investment income from proprietary fund is retained in the funds.

R. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirements and resignations.

S. Post Retirement Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, the Town provides health and life insurance coverage for current and future retirees and their spouses as more fully described in Note 11.

T. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

U. Total Column

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting vote. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases to the original budget subsequent to Annual Town Meeting requires Special Town Meeting approval.

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year.

Generally, expenditures may not exceed the level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2013 approved budget for the general fund authorized approximately \$27,349,918 in appropriations and other amounts to be raised.

The Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

The budgetary comparison schedule presented in the accompanying required supplementary information presents comparisons of the legally adopted budget, as amended, with actual results and encumbrances and continuing appropriations carried forward to the ensuing fiscal year. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

TOWN OF MIDDLETON, MASSACHUSETTS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

B. Fund Deficits

At June 30, 2013, the following fund deficit exists:

Fund	Amount	Funding Source
Chapter 90.....	\$ 5,866	State grant

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2013, expenditures exceeded appropriations for pension benefits and state and county charges. This over-expenditure will be funded by available funds during fiscal year 2014.

NOTE 3 - DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the Town to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer's investment pool - the Massachusetts Municipal Depository Trust (MMDT).

The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of the permanent funds are held separately from other Town funds.

Deposits and Investments of the Town (excluding funds maintained by the Town of Middleton Electric Light Department)

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town's deposits may not be recovered. The Town does not have a policy for custodial credit risk of deposits. As of June 30, 2013, \$11,440,482 of the Town's bank balance of \$13,744,415 was uninsured and exposed to custodial credit risk.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Investments Summary

The Town's investments at June 30, 2013 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Town does not have a policy for interest rate risk of debt securities.

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 - 5
<u>Debt Securities:</u>			
U.S. Treasuries.....	\$ 22,254	\$ 22,254	\$ -
U.S. Agencies.....	207,401	80,652	126,749
Money market mutual funds.....	12,903	12,903	-
Fixed income securities.....	33,828	33,828	-
Certificates of deposit	111,383	-	111,383
External investment pools.....	2,041,322	2,041,322	-
 Total debt securities.....	 2,429,091	 \$ 2,190,959	 \$ 238,132
 <u>Other Investments:</u>			
Equity mutual funds.....	268,770		
Real estate investments.....	25,907		
Alternative investments.....	90,095		
 Total other investments.....	 384,772		
 Total investments.....	 \$ 2,813,863		

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk of investments. As of June 30, 2013, \$428,195 of the Town's investments of \$2,813,863 was uninsured, not registered in the name of the Town and exposed to custodial credit risk as follows:

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

<u>Investment Type</u>	<u>Fair Value</u>	<u>Held by Counterparty</u>
Money market mutual funds.....	\$ 9,595	\$ 9,595
Equity mutual funds.....	268,770	268,770
Fixed income securities.....	33,828	33,828
Real estate investments.....	25,907	25,907
Alternative investments.....	90,095	90,095
Total.....	\$ 428,195	\$ 428,195

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Town does not have a policy for credit risk of debt securities. As of June 30, 2013, the credit quality ratings of the Town's debt securities are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings *</u>
		<u>Unrated</u>
Money market mutual funds.....	\$ 12,903	\$ 12,903
Fixed income securities.....	33,828	33,828
Certificates of deposit.....	111,383	111,383
External investment pools.....	2,041,322	2,041,322
Total.....	\$ 2,199,436	\$ 2,199,436

* Per the rating scale of Standard and Poor's (a national credit rating organization)

Deposits and Investments – Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in exchange rates will adversely affect the fair value of an investment or a deposit. The Town does not have a policy for foreign currency risk. As of June 30, 2013, the Town was not exposed to foreign currency risk.

Investments – Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town does not have a policy for concentration of credit risk. As of June 30, 2013, the Town was not exposed to concentration of credit risk.

TOWN OF MIDDLETON, MASSACHUSETTS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

Deposits and Investments Maintained by the Town of Middleton Electric Light Department (Department)

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Department's deposits may not be recovered. The Department does not have a policy for custodial credit risk of deposits. As of December 31, 2012, the Department's bank balance of segregated bank deposits was \$145,961. In addition to the segregated funds, there was \$589,186 of operating cash pooled within various Town accounts. Bank deposits are pooled with, or in the same financial institution as, Town operating funds and, therefore, specific collateralization information on these amounts is not available. In addition to bank deposits, \$1,367 was invested with the Municipal Light Departments of Massachusetts Reserve Trust, an investment pool authorized under state statutes.

Investments Summary

The Department's investments at December 31, 2012 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>
<u>Debt Securities:</u>				
U.S. Treasuries.....	\$ 130,909	\$ -	\$ -	\$ 130,909
U.S. Agencies.....	2,353,284	-	-	2,353,284
Money market mutual funds.....	906,083	906,083	-	-
Fixed income securities.....	3,343,620	-	141,079	3,202,541
 Total debt securities.....	 6,733,896	 \$ 906,083	 \$ 141,079	 \$ 5,686,734
 <u>Other Investments:</u>				
Equity securities.....	1,331,039			
 Total investments.....	 \$ 8,064,935			

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Department does not have a policy for interest rate risk of debt securities.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Department will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Department does not have a policy for custodial credit risk of investments. As of December 31, 2012, the Department was not exposed to custodial credit risk.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Department does not have a policy for credit risk of debt securities. As of December 31, 2012 the credit quality ratings of the Department's debt securities are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings *</u>		
		<u>AAA</u>	<u>AA</u>	<u>Unrated</u>
Money market mutual funds.....	\$ 906,083	\$ -	\$ -	\$ 906,083
Fixed income securities.....	<u>3,343,620</u>	<u>356,906</u>	<u>1,925,609</u>	<u>1,061,105</u>
Total.....	<u>\$ 4,249,703</u>	<u>\$ 356,906</u>	<u>\$ 1,925,609</u>	<u>\$ 1,967,188</u>

* Per the rating scale of Standard and Poor's (a national credit rating organization)

Deposits and Investments - Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in exchange rates will adversely affect the fair value of an investment or a deposit. The Department does not have a policy for foreign currency risk. As of December 31, 2012, the Department's was not exposed to foreign currency risk.

Investments - Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Department's investment in a single issuer. The Department does not have a policy for concentration of credit risk. As of December 31, 2012, the Department was not exposed to concentration of credit risk.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 - ACCOUNTS RECEIVABLE

At June 30, 2013, receivables for the individual major governmental funds and nonmajor, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 349,837	\$ -	\$ 349,837
Tax liens.....	684,804	-	684,804
Motor vehicle and other excise taxes.....	77,253	-	77,253
Community preservation surcharges.....	3,048	-	3,048
Departmental and other.....	581,861	(238,802)	343,059
Intergovernmental.....	391,748	-	391,748
Loans.....	38,264	-	38,264
	<u>\$ 2,126,815</u>	<u>\$ (238,802)</u>	<u>\$ 1,888,013</u>

At June 30, 2013, receivables for the Electric Light enterprise fund consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
User charges.....	\$ 1,671,670	\$ -	\$ 1,671,670

Governmental funds report *deferred revenue* in connection with receivables and other assets (tax foreclosures) for revenues that are not considered to be available to liquidate liabilities of the current period. The following identifies the various components of *deferred revenue* reported in the governmental funds:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Receivable type:</u>			
Real estate and personal property taxes.....	\$ 274,675	\$ -	\$ 274,675
Tax and utility liens.....	684,804	-	684,804
Motor vehicle and other excise taxes.....	77,253	-	77,253
Community preservation surcharges.....	-	3,048	3,048
Departmental and other.....	-	245,307	245,307
Loans.....	-	38,264	38,264
Tax foreclosures.....	429,476	-	429,476
Total.....	<u>\$ 1,466,208</u>	<u>\$ 286,619</u>	<u>\$ 1,752,827</u>

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 4,035,614	\$ 100,000	\$ -	\$ 4,135,614
Construction in progress.....	24,732,904	96,766	(24,593,090)	236,580
	<u>28,768,518</u>	<u>196,766</u>	<u>(24,593,090)</u>	<u>4,372,194</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,765,912	-	-	1,765,912
Buildings and improvements.....	18,079,229	24,993,549	-	43,072,778
Machinery, vehicles and equipment.....	9,034,097	392,088	(606,204)	8,819,981
Infrastructure.....	27,192,548	591,806	-	27,784,354
	<u>56,071,786</u>	<u>25,977,443</u>	<u>(606,204)</u>	<u>81,443,025</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(735,751)	(49,501)	-	(785,252)
Buildings and improvements.....	(5,562,673)	(1,034,014)	-	(6,596,687)
Machinery, vehicles and equipment.....	(6,919,562)	(511,517)	605,210	(6,825,869)
Infrastructure.....	(10,928,101)	(652,461)	-	(11,580,562)
	<u>(24,146,087)</u>	<u>(2,247,493)</u>	<u>605,210</u>	<u>(25,788,370)</u>
Total capital assets being depreciated, net.....	<u>31,925,699</u>	<u>23,729,950</u>	<u>(994)</u>	<u>55,654,655</u>
Total governmental activities capital assets, net.....	<u>\$ 60,694,217</u>	<u>\$ 23,926,716</u>	<u>\$ (24,594,084)</u>	<u>\$ 60,026,849</u>

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land and land improvements.....	\$ 327,323	\$ -	\$ -	\$ 327,323
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	930,934	240,000	-	1,170,934
Equipment.....	2,089,686	298,516	(110,689)	2,277,513
Infrastructure.....	14,597,498	488,243	(74,039)	15,011,702
 Total capital assets being depreciated.....	 17,618,118	 1,026,759	 (184,728)	 18,460,149
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(458,639)	(23,093)	-	(481,732)
Equipment.....	(1,502,931)	(101,006)	110,689	(1,493,248)
Infrastructure.....	(7,279,261)	(426,615)	65,933	(7,639,943)
 Total accumulated depreciation.....	 (9,240,831)	 (550,714)	 176,622	 (9,614,923)
 Total capital assets being depreciated, net.....	 8,377,287	 476,045	 (8,106)	 8,845,226
 Total business-type activities capital assets, net.....	 \$ 8,704,610	 \$ 476,045	 \$ (8,106)	 \$ 9,172,549

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government.....	\$ 54,131
Public safety.....	314,634
Education.....	856,535
Public works.....	806,702
Human services.....	6,513
Culture and recreation.....	208,978

Total depreciation expense - governmental activities..... \$ 2,247,493

Business-Type Activities:

Electric light.....	\$ <u>550,714</u>
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TOWN OF MIDDLETON, MASSACHUSETTS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2013, are summarized as follows:

	<u>Transfers In:</u>
<u>Transfers Out:</u>	<u>General Fund</u>
Nonmajor Governmental Funds....	\$ <u>448,500</u> (1)

- (1) Represents budgeted transfers from ambulance receipts reserved (\$311,000), land council on aging (\$48,000), police community policing (\$29,500), cell tower receipts reserved (\$20,000), fire alarm fees revolving (\$13,500), council on aging Title 111 (\$11,500), FEMA (\$8,000), and unemployment (\$7,000) special revenue funds.

NOTE 7 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue anticipation notes (RAN) or tax anticipation notes (TAN).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN) or grant anticipation notes (GAN).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund.

Details related to the short-term debt activity for the fiscal year ended June 30, 2013, is as follows:

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2012	Increases	Decreases	Balance at June 30, 2013
BAN	School project and land purchase.	12/7/11	8/17/12	1.50%	\$ 15,850,000	\$ -	\$ (15,850,000)	\$ -
BAN	School project.....	8/17/12	8/16/13	0.50%	-	688,000	-	688,000
	Total.....				\$ 15,850,000	\$ 688,000	\$ (15,850,000)	\$ 688,000

Subsequent Events

On August 6, 2013, the Town paid down the School project BAN with available funds.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8 - LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2013:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion
Governmental Activities:					
Bonds and notes payable.....	\$ 5,642,208	\$ 14,350,000	\$ (1,005,932)	\$ 18,986,276	\$ 1,201,063
Unamortized deferred premium....	<u>-</u>	<u>557,055</u>	<u>(13,926)</u>	<u>543,129</u>	<u>27,853</u>
Bonds and notes payable, gross..	5,642,208	14,907,055	(1,019,858)	19,529,405	1,228,916
Landfill closure.....	820,000	-	(40,000)	780,000	40,000
Net OPEB obligation.....	<u>5,420,954</u>	<u>1,330,650</u>	<u>(409,520)</u>	<u>6,342,084</u>	<u>-</u>
Total.....	<u>\$ 11,883,162</u>	<u>\$ 16,237,705</u>	<u>\$ (1,469,378)</u>	<u>\$ 26,651,489</u>	<u>\$ 1,268,916</u>
Business-type Activities:					
Net OPEB obligation.....	\$ 432,122	\$ 110,953	\$ (10,382)	\$ 532,693	\$ -
Compensated absences.....	<u>135,038</u>	<u>-</u>	<u>(79,140)</u>	<u>55,898</u>	<u>-</u>
Total.....	<u>\$ 567,160</u>	<u>\$ 110,953</u>	<u>\$ (89,522)</u>	<u>\$ 588,591</u>	<u>\$ -</u>

Long-term liabilities of the governmental activities are generally liquidated by the general fund. Long-term liabilities of the business-type activities are generally liquidated by the electric light enterprise fund.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 9 - LONG-TERM DEBT

Details related to the outstanding indebtedness at June 30, 2013, and the debt service requirements are as follows:

Bonds and Notes Payable - Governmental Funds

Project	Interest Rate	Outstanding		Redeemed	Outstanding
		at June 30, 2012	Issued		
Water extension.....	5.00%	103,200	-	(9,800)	93,400
Landfill closure.....	4.20-5.50%	\$ 120,000	\$ -	\$ (120,000)	\$ -
School bond.....	4.20-5.50%	80,000	-	(80,000)	-
Land acquisition.....	2.00-3.75%	130,000	-	(130,000)	-
MWPAT - Title V.....	3.00-5.25%	58,008	-	(5,132)	52,876
School construction refunding.....	2.00-3.60%	1,350,000	-	(330,000)	1,020,000
Water mains.....	2.00-3.60%	155,000	-	(40,000)	115,000
Land purchase.....	4.20%	75,000	-	(50,000)	25,000
MWPAT - Title V.....	0.00%	16,000	-	(1,000)	15,000
Library.....	3.00-4.60%	3,555,000	-	(240,000)	3,315,000
School construction.....	2.30-4.00%	-	14,000,000	-	14,000,000
Land acquisition.....	3.00-4.00%	-	350,000	-	350,000
Sub-total.....		5,642,208	14,350,000	(1,005,932)	18,986,276
Add: unamortized premium.....		-	557,055	(13,926)	543,129
Total governmental funds.....		\$ 5,642,208	\$ 14,907,055	\$ (1,019,858)	\$ 19,529,405

TOWN OF MIDDLETON, MASSACHUSETTS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

Debt service requirements (gross) for principal and interest for governmental bonds and notes payable in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014.....	\$ 1,201,063	\$ 617,725	\$ 1,818,788
2015.....	1,201,063	578,434	1,779,497
2016.....	1,191,063	539,186	1,730,249
2017.....	846,063	505,645	1,351,708
2018.....	866,063	477,892	1,343,955
2019.....	881,063	449,013	1,330,076
2020.....	896,063	419,610	1,315,673
2021.....	921,063	386,382	1,307,445
2022.....	946,186	348,338	1,294,524
2023.....	971,586	309,306	1,280,892
2024.....	946,000	270,061	1,216,061
2025.....	971,000	236,833	1,207,833
2026.....	986,000	208,431	1,194,431
2027.....	1,006,000	176,855	1,182,855
2028.....	796,000	142,725	938,725
2029.....	820,000	118,500	938,500
2030.....	845,000	93,525	938,525
2031.....	870,000	67,800	937,800
2032.....	900,000	41,250	941,250
2033.....	925,000	13,875	938,875
Total.....	<u>\$ 18,986,276</u>	<u>\$ 6,001,386</u>	<u>\$ 24,987,662</u>

During fiscal year 2013, the Town issued bonds for school construction and land acquisition.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2013, the Town had the following authorized and unissued long-term debt:

<u>Purpose</u>	<u>Amount</u>
Elementary school construction.....	\$ 6,644,932 *
Library.....	956,061
Howe-Manning school.....	170,000
Septic.....	84,969
Water.....	<u>50,000</u>
Total.....	<u>\$ 7,905,962</u>

* Short-term debt of \$688,000 has been issued and is outstanding at June 30, 2013 for the Elementary School construction.

TOWN OF MIDDLETON, MASSACHUSETTS
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 10 - LANDFILL CLOSURE

State and federal laws and regulations required the Town to close its old landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town had operated a solid waste landfill that ceased operations and was subsequently capped and funded via long-term debt. The Town has reflected \$280,000 as the estimated landfill post-closure care liability at June 30, 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

During fiscal year 2009, the Town acquired a parcel of land that was formerly used as a landfill. The Town received a lump sum payment for taking ownership of this property. The Town is required to perform certain maintenance and monitoring function on the property. The Town has reflected \$500,000 as the estimated landfill post-closure care liability at June 30, 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Plan Description - The Town provides health, dental and life insurance coverage for its retirees and their survivors (hereinafter referred to as the "Plan") as a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The number of participants as of July 1, 2012, the latest actuarial valuation, is as follows:

Active employees.....	195
Retired employees.....	58
Total.....	253

Funding Policy - The contribution requirements of Plan members and the Town are established and may be amended by the Town. The required health and dental insurance (including Medicare Part B) contribution rates of Plan members and the Town are 40% and 60% for health and 25% and 75% for dental, respectively. The Plan members and the Town contribute 50% and 50%, respectively, towards a \$5,000 term life insurance premium. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the Town.

Annual OPEB Cost and Net OPEB Obligation - The Town's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an actuarially determined amount that is calculated in accordance with the parameters set forth in GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
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The following table shows the components of the Town's annual OPEB cost for the year, the actual amount contributed to the plan, and changes in the Town's net OPEB obligation:

	Amount
Annual required contribution.....	\$ 1,348,337
Interest on net OPEB obligation.....	234,122
Adjustment to annual required contribution.....	(325,465)
Amortization of actuarial (gains)/losses.....	184,609
Annual OPEB cost.....	1,441,603
Contributions made.....	(419,902)
Increase in net OPEB obligation.....	1,021,701
Net OPEB obligation at beginning of year.....	5,853,076
Net OPEB obligation at end of year.....	\$ 6,874,777

Trend information regarding annual OPEB cost, the percentage of the annual OPEB cost contributed and the net OPEB obligation is as follows:

Fiscal Year Ending	Annual OPEB Cost (AOPEBC)	Percentage of AOPEBC Contributed	Net OPEB Obligation
June 30, 2011.....	\$ 1,928,116	17.0%	\$ 4,161,077
June 30, 2012.....	2,059,763	18.0%	5,853,076
June 30, 2013.....	1,441,603	29.1%	6,874,777

Funded Status and Funding Progress - The funded status of the Plan at July 1, 2012, the most recent actuarial valuation, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
07/01/12	\$ -	\$ 13,926,650	\$ 13,926,650	-	\$ 10,264,357	136%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
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The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The significant methods and assumptions as of the latest actuarial valuation are as follows:

Valuation date:	July 1, 2012
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level dollar amortization over 30 years at transition
Remaining amortization period:	26 years at July 1, 2012 (closed)
Interest discount rate:	4.00%
Healthcare/Medical cost trend rate:	6.00% in fiscal year 2013 decreasing by 1.00% to an ultimate level of 5.00% per year
Projected salary increases:	3.00%

Allocation of AOPEBC - AOPEBC costs were allocated to the Town's functions as follows:

Governmental Activities:	
General government.....	\$ 127,278
Public safety.....	464,207
Education.....	543,175
Public works.....	110,946
Health and human services.....	36,770
Culture and recreation.....	<u>48,274</u>
Total AOPEBC - governmental activities.....	<u><u>1,330,650</u></u>
Business-Type Activities:	
Electric light.....	<u>110,953</u>
Total AOPEBC.....	<u><u>\$ 1,441,603</u></u>

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 12 - FUND BALANCES

The constraints of fund balances are listed in aggregate in the Governmental Funds Balance Sheet are detailed as follows:

	General	School Construction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Permanent fund principal.....	-	-	422,521	422,521
Restricted for:				
School construction.....	-	786,865	-	786,865
Other postemployment benefits.....	457,643	-	-	457,643
Capital.....	-	-	76,668	76,668
Community preservation.....	-	-	422,495	422,495
Ambulance services.....	-	-	392,520	392,520
Pre-school revolving.....	-	-	223,537	223,537
Howe-Manning childcare revolving.....	-	-	169,134	169,134
Water revolving.....	-	-	612,114	612,114
Cable access.....	-	-	485,143	485,143
General government.....	-	-	378,260	378,260
Public safety.....	-	-	162,339	162,339
Education.....	-	-	450,482	450,482
Public works.....	-	-	225,131	225,131
Health and human services.....	-	-	192,465	192,465
Culture and recreation.....	-	-	125,890	125,890
Sub-total - Restricted.....	457,643	786,865	3,916,178	5,160,686
Committed to:				
Subsequent year's expenditures.....	1,202,325	-	-	1,202,325
Continuing appropriations.....	491,838	-	-	491,838
Sub-total - Committed.....	1,694,163	-	-	1,694,163
Assigned to:				
Encumbrances.....	168,833	-	-	168,833
Unassigned.....	6,134,712	-	(5,866)	6,128,846
	\$ 8,455,351	\$ 786,865	\$ 4,332,833	\$ 13,575,049

NOTE 13 - STABILIZATION FUNDS

The Town maintains a general stabilization fund that was established under MGL Chapter 40, Section 5B. Appropriations in and out of the stabilization fund require two-thirds vote of Town meeting. Investment income is retained by the funds.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
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The balance of the stabilization fund at June 30, 2013 totals \$1,880,583 and is reported as unassigned fund balance in the general fund.

NOTE 14 - RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in a premium-based plan for its active and retired employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years. The Town also participates in a premium-based workers' compensation plan.

NOTE 15 - PENSION PLAN

Plan Description - The Town contributes to the Essex Regional Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan administered by the Essex Regional Retirement Board. Substantially all employees of the Town are members of the System, except for public school teachers and certain administrators who are members of the Commonwealth's Teachers Retirement System.

Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System provides retirement, disability and death benefits to plan members and beneficiaries. Cost-of-living adjustments granted between 1981 and 1997 and any increases in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be authorized by the Essex Regional Retirement Board and are borne by the System. The System issues a publicly available report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 491 Maple Street, Danvers, Massachusetts, 01923.

Funding Policy - Chapter 32 of MGL governs the contributions of plan members and the Town. Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on annual covered payroll. The Town's contributions to the System for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,078,437, \$977,406, and \$890,743, respectively, which equaled its required contribution for each fiscal year.

NOTE 16 - MASSACHUSETTS TEACHERS RETIREMENT SYSTEM

Public school teachers and certain administrators are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$952,054 for the fiscal year ended June 30, 2013, and accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

NOTE 17 - COMMITMENTS

The Town has entered into, or is planning to enter into, contracts totaling approximately \$7,900,000 for school construction, library, septic and water projects.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
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Other significant commitments include the encumbrances and continuing appropriations outstanding for the general fund, which totaled \$660,671 at June 30, 2013.

Electric Light Department

The Department is a participant in certain projects of the Massachusetts Municipal Wholesale Electric Company (MMWEC). MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts created as a means to develop a bulk power supply for its members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in and to issue revenue bonds to finance electric facilities. MMWEC has acquired ownership interests in electric facilities operated by other entities and also owns and operates its own electric facilities. MMWEC sells all of the capacity (project capability) of each of its projects to its members and other utilities (project participants) under Power Sales Agreements (PSAs). Among other things, the PSAs require each project participant to pay its pro rata share of MMWEC's costs related to the project, which costs include debt service on revenue bonds issued by MMWEC to finance the project, plus 10% of MMWEC's debt service to be paid into a Reserve and Contingency Fund. In addition, should a project participant fail to make payments when due, other project participants may be required to increase (step-up) their payments and correspondingly their participants' share of a project capability to an additional amount not to exceed 25% of their original participants' share of project capability. Project participants have covenanted to fix, revise, and collect rates at least sufficient to meet their obligations under the PSAs.

MMWEC has issued separate issues of revenue bonds for each of its eight projects, which are payable from, and secured solely by, the revenues derived from the project to which such issue relates plus available funds pledged under the Amended and Restated General Bond Resolution with respect to the bonds of the project. The MMWEC revenues derived from each project is used solely to provide for the payment of the bonds of any bond issue relating to such project and to pay MMWEC's cost of owning and operating such project and are not used to provide for the payment of the bonds of any bond issue relating to any other project.

MMWEC operates the Stony Brook Intermediate Project and Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has a 3.7% interest in the W.F. Wyman Unit No. 4 plant, owned and operated by subsidiaries of FPL Energy Wyman IV, LLC, an indirect subsidiary of NextEra Energy Resources, LLC (formerly FPL Energy, LLC), and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit operated by Dominion Nuclear Connecticut, Inc. (DNCI) the majority owner and indirect subsidiary of Dominion Resources, Inc. DNCI also owns and operates Millstone Unit 2 nuclear unit. The operating license for Unit 3 extends to November 25, 2045.

A substantial portion of MMWEC's plant investment and financing program is an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook Resources, LLC (formerly FPL Energy Seabrook, LLC), the majority owner and indirect subsidiary of NextEra Energy Resources, LLC (formerly FPL Energy, LLC). The operating license for Seabrook Station extends to March, 2030. NextEra Seabrook has stated its intention to request an extension of the Seabrook Station operating license for an additional twenty years.

Pursuant to the PSAs the MMWEC Seabrook and Millstone Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly project billings. The project participants are also liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act. Originally enacted in 1957, the Act has been renewed several times. In July, 2005, as part of the Energy Policy Act of 2005, Congress extended the Price-Anderson Act through the end of 2025.

TOWN OF MIDDLETON, MASSACHUSETTS
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The Department has entered into PSAs and Power Purchase Agreements (PPAs) with MMWEC. Under both the PSAs and PPAs, the Department is required to make certain payments to MMWEC payable solely from Department revenues. Under the PSAs, each participant is unconditionally obligated to make payments due to MMWEC whether or not the project(s) is completed or operating and notwithstanding the suspension or interruption of the output of the project(s).

MMWEC is involved in various legal actions, the outcome of which, in the opinion of MMWEC management, will not have a material effect on the financial position of MMWEC.

Seven municipal light departments that are participants under PSAs with MMWEC have submitted a demand for arbitration of a dispute relating to charges under the PSAs. The arbitration has been stayed by agreement of the parties. MMWEC has stated that the outcome of this arbitration demand cannot be predicted but in MMWEC's opinion, this will not have a material adverse effect on the financial position of MMWEC.

The capital expenditures for MMWEC's projects amounted to \$1,593,344,000, of which \$38,728,000 represents the amount associated with the Department's project capability of the projects in which it participates, although such amount is not allocated to the Department. MMWEC's debt outstanding for the projects includes Power Supply System Revenue Bonds \$284,005,000, of which \$7,405,000 is associated with the Department's share of project capability of the projects in which it participates, although such amount is not allocated to the Department. As of December 31, 2012, MMWEC's total future debt service requirement on outstanding bonds issued for projects is \$289,247,000 of which \$7,661,000 is anticipated to be billed to the Department in future years.

The estimated aggregate amount of the Department's required payments under the PSAs and PPAs, exclusive of Reserve and Contingency Fund billings, to MMWEC at December 31, 2012 and estimated for future years is \$7,661,000. In addition, the Department is required to pay its share of the Operation and Maintenance (O&M) costs of the projects in which they participate. The Department's total O&M costs including debt service under the PSAs were \$3,750,000 and \$4,193,000 for the years ended December 31, 2012 and 2011, respectively.

NOTE 18 - CONTINGENCIES

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2013, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2013.

The Town participates in a number of federal award programs. The programs are subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 19 - PRIOR PERIOD ADJUSTMENTS

The following adjustments have been made to beginning fund balance and net position:

	Governmental Activities	Business-Type Activities	General Fund	Electric Light Enterprise Fund
Fund Balance/Net Position at June 30, 2012, as previously reported	\$ 49,152,413	\$ 17,915,278	\$ 7,967,948	\$ 17,915,278
To record adjustment for prior year accounting error.....	<u>200,000</u>	<u>(263,714)</u>	<u>200,000</u>	<u>(263,714)</u>
Fund Balance/Net Position at June 30, 2012, as restated.....	<u>\$ 49,352,413</u>	<u>\$ 17,651,564</u>	<u>\$ 8,167,948</u>	<u>\$ 17,651,564</u>

NOTE 20 - FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

The GASB has issued the following statements:

- Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented during fiscal year 2014. Management does not believe the implementation of this Statement will significantly impact the basic financial statements.
- Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, which is required to be implemented during fiscal year 2014. Management does not believe the implementation of this Statement will impact the basic financial statements.
- Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, which is required to be implemented during fiscal year 2014. Management has determined that the implementation of this Statement will not impact the basic financial statements.
- Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which is required to be implemented during fiscal year 2015. The implementation of this Statement will represent a significant change in the accounting and reporting of pension expense and the related liability. For the first time, the Town will be required to recognize its total long-term obligation for pension benefits as a liability and to more comprehensively measure the annual costs of pension benefits. The implementation of this Statement also expands pension related note disclosures and required supplementary information.
- Statement No. 69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented during fiscal year 2015. Management does not believe the implementation of this Statement will impact the basic financial statements.
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which is required to be implemented during fiscal year 2014. Management does not believe the implementation of this Statement will impact the basic financial statements.

This information is an integral part of the accompanying financial statements.

Required Supplementary Information

TOWN OF MIDDLETON, MASSACHUSETTS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget	Actual
REVENUES					
Real estate and personal property taxes.....	\$ -	\$ 21,056,481	\$ -	\$ 21,056,481	\$ 21,152,592
Motor vehicle and other excise taxes.....	-	1,335,000	-	1,335,000	1,379,255
Hotel/motel tax.....	-	150,000	-	150,000	271,538
Tax and utility liens.....	-	-	-	-	265,307
Payments in lieu of taxes.....	-	232,000	-	232,000	155,765
Charges for services.....	-	161,000	-	161,000	159,210
Intergovernmental.....	-	2,416,337	-	2,416,337	2,380,910
Penalties and interest on taxes.....	-	80,000	-	80,000	97,884
Licenses and permits.....	-	280,000	-	280,000	371,059
Fines and forfeitures.....	-	31,000	-	31,000	50,000
Departmental and other.....	-	98,000	-	98,000	235,707
Investment income.....	-	60,000	-	60,000	41,099
TOTAL REVENUES.....	-	25,899,818	-	25,899,818	26,560,326
EXPENDITURES					
Current:					
General government.....	152,016	1,302,921	(60,458)	1,394,480	1,256,368
Public safety.....	324,887	3,264,311	22,000	3,611,197	3,392,054
Education.....	585,387	16,772,212	-	17,357,599	16,893,852
Public works.....	181,153	1,558,711	38,458	1,778,323	1,551,913
Health and human services.....	3,153	363,558	-	366,711	337,722
Culture and recreation.....	32,638	460,812	-	493,450	446,436
Pension benefits.....	-	772,600	-	772,600	853,220
Employee benefits.....	110,000	687,000	-	797,000	652,718
Property and liability insurance.....	-	126,500	-	126,500	126,083
State and county charges.....	-	256,260	-	256,260	260,240
Debt service:					
Principal.....	35,543	851,250	-	886,793	707,390
Interest.....	-	808,783	-	808,783	539,474
TOTAL EXPENDITURES.....	1,424,777	27,224,918	-	28,649,696	27,017,470
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(1,424,777)	(1,325,100)	-	(2,749,878)	(457,144)
OTHER FINANCING SOURCES (USES)					
Transfers in.....	-	448,500	-	448,500	448,500
Premium from issuance of bonds and notes.....	-	-	-	-	557,055
Transfers out.....	-	(125,000)	-	(125,000)	(125,000)
TOTAL OTHER FINANCING SOURCES (USES).....	-	323,500	-	323,500	880,555
NET CHANGE IN FUND BALANCE.....	(1,424,777)	(1,001,600)	-	(2,426,378)	423,411
FUND BALANCE AT BEGINNING OF YEAR.....	5,593,549	5,593,549	5,593,549	5,593,549	5,593,549
FUND BALANCE AT END OF YEAR.....	\$ 4,168,772	\$ 4,591,949	\$ 5,593,549	\$ 3,167,171	\$ 6,016,960

See accompanying notes to required supplementary information.

Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$ -	\$ 21,152,592	\$ 96,111
-	1,379,255	44,255
-	271,538	121,538
-	265,307	265,307
-	155,765	(76,235)
-	159,210	(1,790)
-	2,380,910	(35,427)
-	97,884	17,884
-	371,059	91,059
-	50,000	19,000
-	235,707	137,707
-	41,099	(18,901)
-	26,560,326	660,508
128,186	1,384,554	9,926
153,421	3,545,475	65,722
190,582	17,084,434	273,165
158,186	1,710,099	68,224
939	338,661	28,050
29,357	475,793	17,657
-	853,220	(80,620)
-	652,718	144,282
-	126,083	417
-	260,240	(3,980)
-	707,390	179,403
-	539,474	269,309
660,671	27,678,141	971,555
(660,671)	(1,117,815)	1,632,063
-	448,500	-
-	557,055	557,055
-	(125,000)	-
-	880,555	557,055
(660,671)	(237,260)	2,189,118
-	5,593,549	-
\$ (660,671)	\$ 5,356,289	\$ 2,189,118

PENSION PLAN SCHEDULES

The following schedules provide information related to the System as a whole, for which the Town is one participating employer.

SCHEDULE OF FUNDING PROGRESS (SYSTEM)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/13	\$ 314,566	\$ 619,339	\$ 304,773	50.8%	\$ 119,292	255.5%
01/01/11	278,332	536,116	257,784	51.9%	119,707	215.3%
01/01/08	301,421	445,171	143,750	67.7%	111,727	128.7%
01/01/06	261,327	376,035	114,708	69.5%	98,641	116.3%
01/01/04	229,853	333,396	103,543	68.9%	93,404	110.9%
01/01/02	218,346	287,391	69,045	76.0%	85,005	81.2%

SCHEDULE OF EMPLOYER CONTRIBUTIONS (SYSTEM)

Year Ended December 31	Annually Required Contributions (ARC)	Percentage of ARC Contributed (%)
2007	\$ 16,294,571	100
2008	16,995,636	100
2009	18,173,867	100
2010	19,566,952	100
2011	21,084,190	100
2012	22,770,925	100

The following schedule provides information related to the Town's portion of the System's ARC:

TOWN SHARE OF SYSTEM ARC

Fiscal Year Ended	ARC	Percentage of ARC Contributed (%)	Town ARC as a Percentage of System ARC (%)
2008	\$ 677,947	100	4.2%
2009	728,166	100	4.3%
2010	805,323	100	4.4%
2011	894,630	100	4.6%
2012	997,679	100	4.7%
2013	1,078,437	100	4.7%

OTHER POST EMPLOYMENT BENEFITS SCHEDULE

The following schedule provides information related to the Town's other post employment benefits plan:

SCHEDULES OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
07/01/12	\$ -	\$ 13,926,650	\$ 13,926,650	-	\$ 10,264,357	135.7%
07/01/10	-	14,860,541	14,860,541	-	11,179,929	132.9%

The significant change to the methods and assumptions used in the actuarial valuations identified above that impacted trends in the schedules of funding progress is a 3% increase in premiums for non-Medicare integrated plans and an 18.4% decrease in premiums for Medicare integrated plans versus an expected 13.4% increase over the two year period as well as an unexpected decrease in the active population. There was also an introduction of a new more conservative mortality table and an unexpected increase in the number of retirees.

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

NOTE A - BUDGETARY - GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2013, is presented below:

	<u>Revenues</u>	<u>Expenditures</u>	<u>OFS / (OFU), net</u>	<u>Fund Balance</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 26,560,326	\$ 27,678,141	\$ 880,555	\$ 5,356,289
<u>Adjustments</u>				
Net change in recording 60-day receipts.....	(65,379)	-	-	75,165
To record MTRS on-behalf payments.....	952,054	952,054	-	-
Net change in recording other expenditures.....	-	200,000	-	-
To record encumbrances and continuing appropriations.....	-	(660,671)	-	660,671
Total on GAAP basis of accounting.....	<u>27,447,001</u>	<u>28,169,524</u>	880,555	6,092,125
<u>Reclassifications</u>				
Stabilization fund recorded in the general fund for GAAP purposes.....	4,371	-	100,000	1,880,583
OPEB fund recorded in the general fund for GAAP purposes.....	-	-	25,000	482,643
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 27,451,372</u>	<u>\$ 28,169,524</u>	<u>\$ 1,005,555</u>	<u>\$ 8,455,351</u>

NOTE B - PENSION PLAN

Additional information as of the latest actuarial valuation is as follows:

Valuation date:	January 1, 2013
Actuarial cost method:	Entry age normal
Amortization method:	Approximate level percent of payroll
Remaining amortization period:	21 years at January 1, 2013 (closed)
Asset valuation method:	A five-year (20% per year) smoothing method that reflects differences between expected market asset return and actual market return

TOWN OF MIDDLETON, MASSACHUSETTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

Actuarial assumptions:

Investment rate of return:	8.00%
Projected salary increases:	7.50% decreasing by .50% to an ultimate rate of 3.75%
Cost of living adjustments:	3.00% of the first \$13,000 of retirement income

